FINANCIAL TIMES

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[N]EWS SUMMARY

[GENE]RAL

[Ch]elsea [bo]mb [ki]lls [tw]o

[Two pe]ople died and around [...] injured after a bomb [was thr]own through the window [of Wa]ltons Restaurant in [Walton] Street, Chelsea at [9.]10 p.m. last night.

[Fift]een casualties were [taken to] St. Stephen's Hospital. Police were said to be [looking] for a blue Singer car [with fo]ur occupants, one a [g]irl.

[M]ax Bundi, a waiter at [Waltons], one of London's most [exclusiv]e eating establishments, [said sho]rtly after the explosion: ["There] was blood everywhere." [About 2]0 people were in the res[taurant] at the time.

[The c]urrent Egon Ronay guide [describe]s Waltons as a "haven [of sti]lence." The bombing [seems t]o have followed the pat[tern of] Scotts Restaurant, May[fair, wh]ere last week a bomb [containi]ng ball-bearings was [thrown] through the window.

['IRA] supply [line] broken

[...]shire police think they [have ter]minated the IRA's main [supply] units in Southern [England] with the discovery of [...] lbs cache of explosives in [Southa]mpton.

[Twenty]-five men are now under [arrest i]n in the city under the [Preventi]on of Terrorism Act. [Some of] them are serving and [former] crew members of the [QE2].

[Police] and troops left the ship [after th]eir search for traces of [explosiv]e, but refused to say [whether] explosives had been [found] aboard the giant [line]r, which is due to sail [for Ne]w York to-morrow.

[Bac]k to work

[Dr. Tie]de Herrema, the Dutch [industri]alist held captive for 36 [days in] the Irish Republic, is to [return] to his job as managing [director] of the Ferenka steel cord [manufa]cturing concern on [Novemb]er 5. Staff and manage[ment at] the Limerick factory are [plannin]g a welcoming party and [there a]re plans to award his the [freedom] of the city.

[Prot]est to Chile

[The C]hilean Ambassador was [called t]o the Foreign Office at the [request] of Mr. Ted Rowlands, [Foreig]n Under-Secretary, where [a prote]st was made about the case [of Dr.] Sheila Cassidy, who is still [impriso]ned in Chile accused of [treating] wounded revolutionaries.

[Fra]nco 'despair'

[Genera]l Franco's doctors, in "a [desper]ate move," lowered his [temper]ature to 33C to prolong [his life] since he is now too weak [for sur]gery after further internal [bleedin]g.

[Wa]ter shortage

[The] West Country faces the [prosp]ect of water rationing in [some] areas. Many reservoir[s i]n Devon and Somerset [are at] their lowest ever.

[Ven]ice flooded

[Venic]e was virtually paralysed [as flo]odwater covered half the city's streets and squares [after t]hree days of violent storms. [In R]avenna, seawater burst [throu]gh dykes and large areas of [farml]and were flooded.

[Chi]mney auction

[Famo]us Carlisle landmark, the [...] feet Dixon's Chimney at [Pe]ter Todd's Shaddongate [textil]e factory, comes under the [auctio]neers' hammer in the city [...].

[Bri]efly . . .

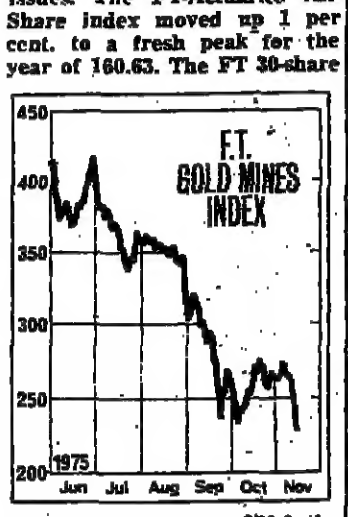
[The] Prime Minister has a chill [and w]as unable to greet Presi[dent] Nyerere of Tanzania at [Victo]ria Station at the start of [his s]tate visit. Mr. Edward Short, [Lord] President of the Council, [depu]tised for Mr. Wilson.

[Dai] Rees, former Ryder Cup [capta]in, is to be next year's [Profe]ssional Golfers' Association [capta]in.

BUSINESS

Gold \$2½ down; Equities gain 1.1

● EQUITIES were lively, with the emphasis on second-line issues. The FT-Actuaries All-Share index moved up 1 per cent. to a fresh peak for the year of 160.63. The FT 30-share



index closed 1.1 up at 376.6, the highest since November 28, 1973. The FT Gold Mines index closed 12.1 lower at 227.4, its lowest since January 4, 1974.

● GOLD lost \$2½ to \$139¼ on fears of U.S. Treasury sales.

● GILTS were subdued, with shorts steady but mediums and longs down ¼.

● STERLING gained 35 points to \$2.0360; its weighted depreciation was unchanged at 29.7 per cent. The dollar's widened to 2.20 (2.03) per cent.

● WALL STREET closed 1.42 down in active trading after being 5.67 up earlier.

● U.S. TREASURY bill rates were: Threes 5.471 (5.279) per cent. and Sixes 5.796 (5.453)

BSC to import £20m. of steel

● BSC plans to import about £20m. of semi-finished steel in the next few months due to the inability of the Llanwern works in South Wales to satisfy demand for steel strip. Most BSC plant is running at about 50 per cent. capacity. Back Page

● JAPAN is expected to announce shortly an agreement for testing British and European cars for safety and emission standards on their home ground, thereby removing a "hidden" barrier to imports. Page 9. A top-level Japanese team is touring U.K. aerospace companies investigating possibilities of collaboration on a civil aviation project. Page 10.

● OPEC has agreed to establish a \$1bn. fund to aid developing countries hard hit by high oil prices. Loans without interest will be made to finance balance of payments deficits and long-term projects. Back Page

● CANADIAN newsprint producers are cutting prices for U.K. customers to compete with Scandinavian suppliers. Back Page

● CO-OPERATIVE Insurance Society announces the first motor premium rate increases for 1976, with a 13 per cent. rise from January 1. Page 9

● WHEELERS' negotiations to buy the London restaurant Pruniers have broken down.

COMPANIES

● CONSOLIDATED Gold Fields chairman expects only a temporary setback in the year to June. At yesterday's shareholders' meeting he told Monsignor Bruce Kent the company had never said it favoured the migrant worker scheme in South Africa. Page 10 with pictures; Page 27; Men and Matters, Page 16

● ROYAL INSURANCE pre-tax profits for the nine months to October were up 60 per cent. at £13.8m. Chairman expects a good fourth quarter to improve results further. Page 28 and Lex

[CHI]EF PRICE CHANGES YESTERDAY

[(Pric]es in pence unless otherwise indicated)

RISES

[...]y (J.)	77	+ 5
[...] Ind. Hldgs.	26	+ 4
[...] and Counties	13½	+ 2
[...]ni	11	+ 4
[...]entric	34	+ 4
[...] (J.)	103	+ 10
[...] (R.)	238	+ 10
[...] Biscuits	63	+ 8
[...] Carrier	99	+ 6
[...] (C. E.)	292	+ 10
[...]tleigh	67	+ 6
[...] Secs	177	+ 7
[...] and Prov. Shop.	65	+ 9
[...] Refrigeration	43	+ 5
[...]	36	+ 7
[...]ride (R.)	124	+ 7
[...]s Eng.	48	+ 5
[...]hey Prop.	26½	+ 4
[...]	32	+ 4
Redland	108	+ 4
Reed Intnl.	249	+ 8
Rowlinson Const.	48	+ 5½
Smith St. Aubyn	68	+ 6
Turriff	83	+ 9
Wimpey (G.)	145	+ 4
Woodhead (J.)	96	+ 7
BP	595	+ 5
London Tin	155	+ 9
Malaysian Tin	26	+ 7

FALLS

Barlow Rand	253	− 15
Bristol Evening Post	43	− 3
Fodens	26	− 4
Midland Bank	300	− 8
OK Bazaars	750	− 50
Cons. Tea and Lands	320	− 30
De Beers Dfd.	300	− 10
Deelkraal	198	− 14
Kloof Gold	640	− 80
Libanon	575	− 70
Pot. Plat.	186	− 14

Major swing Right in AUEW elections

BY ROY ROGERS, LABOUR CORRESPONDENT

THE POLITICAL balance of the Labour Party and the TUC is set to shift firmly to the Right *following an emphatic victory by* moderates in key elections for the leadership of Britain's second largest trade union, the Amalgamated Union of Engineering Workers.

Left-wing candidates suffered crushing defeats in election results announced yesterday—in the AUEW's engineering section—with the Right winning control of the section's seven-man national executive and leading in 18 of the 21 posts being contested.

The elections will give the Right a decisive majority on the executive by next autumn when the results will be fully implemented.

The voting is expected to ensure that the union moves away from Left-wing policies, especially since the Right also enjoys a slight majority on the 52-man national committee which meets annually to decide broad policy.

The results come only a few months after Right-winger Mr. John Boyd won the key general secretaryship. Thus the Right has been successful in consolidating its earlier gains through a concerted campaign.

The most significant result was the defeat, by an unexpectedly large margin of more than two *to one, of sitting Left-wing execu*tive member and leading motor

AUEW EXECUTIVE ELECTIONS

Area	Candidates	Votes	% Poll	Effective date
W. Midlands & Manchester	Terry Duffy	45,469	38.7	Sept. 1976
	Bob Wright	20,685		
Scotland	Gavin Laird	24,838	37.4	Dec. 1975
	Jimmy Reid	12,115		
North West	*Harry Banks	9,797	29.4	Nov. 1976
	*Gerry Russell	7,205		

* *Second ballot in March*

industry negotiator Mr. Bob Wright. He has been a full-time AUEW official for 18 years, seven of them on the executive.

The first executive member to be ousted since 1963 when Mr. *Bill Cocklin was replaced by Mr.* Hugh Scanlon, Mr. Wright must now decide whether to contest a more lowly post in the union, return to the shop floor, or possibly leave the union altogether.

His defeat will be a major blow to Mr. Scanlon, who now faces his final three years as AUEW president without his strongest supporter or a Left-wing majority on the executive. Yesterday he was on holiday out of the country and not available for comment.

Although Mr. Wright's replacement does not come about until next September, the political balance of the executive will begin to change from next month following the victory of a moderate, Mr. Gavin Laird, for the union's Scottish executive seat.

This seat was left vacant when Mr. Boyd defeated Mr. Wright for the general secretaryship earlier this year.

Mr. Laird, at present the union's Scottish regional officer, defeated Communist Mr. Jimmy Reid—the Clydeside shop steward—for the executive seat.

In the North-West where the third executive seat was being contested, the only Left-winger has been knocked out along with three other candidates in advance of a second ballot. This means that the moderates are assured of victory in the final ballot next March.

By the end of next year the *Left will therefore be able to* count on only two votes on the executive—Communist Mr. Les Dixon and Maoist Mr. Reg Birch—while the Right will command four, Mr. Bill John, Mr. Laird, Mr. Duffy and whoever is elected for the North West. Mr. *Len Edmondson, for the North* East, does not fall naturally into either camp while the general secretary has no vote and the president only a casting vote.

The only crumbs of consolation for the AUEW Left-wingers yesterday were announcements that there is to be a re-count in the election of one of the union's two assistant general secretaries because of a "wafer thin" margin between present holder of the office, Mr. Ken Brett, who is a Communist, and Right-winger, Mr. Jim Docherty. In addition Left-wingers held the posts of South London divisional organiser and Glasgow assistant divisional organiser.

Elsewhere moderates dominated the elections with the biggest majority being recorded by a Right-winger, Mr. Jim Bradley, who polled 86,857 votes in a contest for the post of national organiser. His nearest rival, Left-winger Mr. Phil Higgs

Continued on Back Page

The engineering really needed inside the AUEW, Page 16

Mrs. Castle and Foot to meet doctors

BY CHRISTIAN TYLER, LABOUR STAFF

THE GOVERNMENT last night acted to avert nation-wide official industrial action threatened by junior hospital doctors by invit*ing their negotiators to meet* Ministers to-morrow.

Mrs. Barbara Castle, Social Services Secretary, and Mr. Michael Foot, Employment Secretary, will again try to explain to the doctors why their claim for more overtime money is, in *the Government's eyes, a breach* of the pay policy.

In a letter to Dr. Derek Stevenson, secretary of the British Medical Association, Mrs. Castle said they wished to discuss the "serious situation that is developing." They would try to clear up misunderstandings which had apparently developed in the doctors' minds over pay policy to avoid the doctors action which came under strong attack from patients yesterday.

The militant Junior Hospital Doctors Association, which claims to represent 5,000 of the 20,000 juniors, hasa lso been invited to the talks. Hitherto it has not been admitted to negotiations.

At issue to-morrow will be the £12m. which the Government says is the total amount of money available for paying doctors' overtime. This sum cannot be increased now, it says, because it would mean giving doctors a rise within 12 months of their 30 per cent. salary increase last April. Doctors says the £12m. figure is *inaccurate, and does not include* unclaimed overtime money amounting to several more millions. The Department of Health said yesterday that unclaimed money had been caunted in.

Overtime rates are subject to the policy along with basic salary increases.

Mr. Foot, whose Ministry has overall supervision of the pay policy, first became involved in the doctors' dispute about a month ago when he gave the first of many warnings that the Government would not break the policy for the doctors' sake.

The doctors, who are awaiting official BMA sanction for a total overtime ban from next Thursday, still argue that the policy is being unfairly interpreted and *that their demands can be met* without breaching it.

Standstill

But it was clear yesterday that the Government has no intention of moving any further, partly for fear of giving other groups of workers grounds for saying the policy is broken.

The Government yesterday faced the threat of a separate campaign of sanctions by consultants who are waiting to see *whether to-day's Queen's Speech* contains the Government's pledge to remove all private practice from the NHS.

If the Government has stuck to its private practice proposals, it could mean that all Britain's hospital *doctors—from senior consultants down to housemen*—will be working to rule at the same time. That would bring the hospitals to a virtual standstill, with only accident cases being fully cared for.

About 8,000 junior doctors are already imposing sanctions in *300 hospitals.* Consultants' leaders yesterday warned that the mood for industrial action among their members was strong.

Consultants will lay their plans at a meeting to-morrow of their executive members, but a decision is unlikely to be taken before a full BMA committee meeting a week later. The more militant Hospital Consultants and Specialists Association has already called for a one-day walk-out next Tuesday.

Meanwhile, a union leader warned the Government that failure to include the private practice legislation would lead to "serious trouble" from hospital manual workers. The warning came from Mr. Alan Fisher, general secretary of the *National Union of Public* Employees, many of whose hospital branches closed down pay beds this year in reaction to consultants' sanctions.

There was a warning, too, from the Patients Association, which attacked the junior doctors' industrial action. Mrs. Jean Robinson, chairman, said: "In using the build-up of suffering in the community as an industrial weapon, the junior hospital doctors are playing a dangerous game."

Separate

Spokesmen for both groups of doctors stressed yesterday there was no collusion. The disputes were separate and the timing accidental. Indeed the consultants' national chairman, Mr. Anthony Grabham, said the BMA had tried to prevent the issues overlapping.

Mr. David Wardle, chairman of the junior doctors' newly-elected hardline executive com*mittee, said there could be a* "great deal of co-operation" between the two groups. But there had been no formal approach from the consultants.

Meanwhile, junior doctors at four more hospitals in Essex and Merseyside have joined the overtime ban.

Editorial comment, Page 16

\$ in New York

—	Nov. 18	Previous
Spot	\$2.0370-0376	\$2.0325-0330
1 month	1.00-0.95 dis	0.92-0.86 dis
3 months	2.33-2.25 dis	2.39-2.31 dis
12 months	7.75-7.65 dis	7.75-7.46 dis

Gunboat cuts trawler's wires in new 'cod war' flare-up

BY JAMES McDONALD

AN ICELANDIC gunboat yesterday cut the trawl wires of the *Hull trawler, St. Giles,* 40 miles off the east coast of Iceland only 24 hours after talks had broken down between Britain and Iceland over a new fishing agreement.

According to reports from Iceland, the coastguard vessel was on regular patrol inside the new 200-mile fishing limit claimed by Iceland when the trawler started fishing in front of the gunboat.

This is the third British trawler to have its trawl wires cut since Iceland extended its limits from 50 to 200 miles last month.

Although a "cod war" similar to that in 1972 is not yet fully under way, the "opening shots" have been fired.

An Icelandic trawler due to call at Grimsby was diverted to Ostend yesterday after the port landing committee decided not to handle Icelandic trawler catches.

A spokesman for the British Trawlers Federation, commenting on the Grimsby decision, said *it was not the Federation's* policy to ban Icelandic fish. The Grimsby decision, he stressed, was a port decision.

But it had to be recognised, he said, that strong feelings had been aroused over the Icelandic move and that the port landing committee at Grimsby probably felt it would be prudent for the trawler to avoid the port.

The trawler industry's liaison committee — shipowners, representatives of the skippers and

BRITAIN'S FISH CATCH
(Bottom trawled fish)

	Total '000 tons†	In Icelandic waters '000 tons†
1969	821	233
1970	826	161
1971	814	207
1972	767	180*
1973	757	152
1974	753	147
1975 (estimate)	—	120

* *First "cod war."* † *Figures are predominantly for cod, but also include haddock, plaice, redfish, coley (saithe) and other species.*

Mates' Guilds and of deckhands' union officials—are to meet Mr. Fred Peart, Minister of Agriculture, Fisheries and Food, to discuss the situation and to urge a common policy.

All sections of the committee will demand full naval protection for the trawler fleet. The deckhands' union is advising its members not to sign on vessels for Icelandic voyages if wire-cutting and harassment by gunboats continue, while the skippers say they will stay outside the 200-mile limit as long as harassment continues if naval protection is withheld.

The United Towing tug *Lloydsman sailed from Hull on* Monday to join the three oil rig supply vessels which are to act as "buffers" between trawlers and Icelandic gunboats.

Despite the trawler federation's attitude to Icelandic cod landings in the U.K., local opinion in some fishing ports was much more antagonistic yesterday, with a number of skippers and deckhands in favour of a ban.

Although the U.K.-Icelandic talks have broken down on Iceland's insistence on its new 200-mile limit, reports from Bonn yesterday suggested that the West German Government does not exclude the possibility of an agreement being reached with Iceland during talks which will begin to-day.

Mr. Einar Agustsson, Iceland's Foreign Minister, will meet State Minister Hans-Juergen Wischnewski. Whether the talks will continue to-morrow will depend on their progress.

The two countries also are in dispute over the size of German catches in Iceland's new 200-mile fishing limits.

The table shows the wide gap between Icelandic and British offers which led to the breakdown in talks.

Mr. Roy Hattersley offered to reduce the ceiling for the U.K. *catch of all types of fish in Ice*landic waters from 130,000 tons to 110,000 tons a year during the negotiations, but Iceland stuck at 65,000 tons a year.

"About 100 U.K. trawlers licensed by Iceland to fish her waters are involved and on the *basis of this year's expected* catch this would mean halving their intake," said a trawler federation spokesman last night.

Babcock bid for American Chain

BY KEITH LEWIS

BABCOCK AND WILCOX has announced *in* New York its intention to bid \$27 cash per share for American Chain and Cable, a company whose interests include materials handling, industrial products, process control and wire products.

If successful, it will cost *Babcock some \$87.5m., including* expenses. Of this figure, \$50m. will be provided out of the \$59.6m. net proceeds from the sale of its 25.02 per cent. stake in Deutsche Babcock to the Iranian Government earlier this year.

The remainder will come from a dollar facility which has already been provided to Babcock. The £11.19m. raised by rights issue in September is not involved.

For Babcock this marks the end of a search for a suitable overseas company in which to invest its large dollar deposits. It was conceivable that had the search for an appropriate investment dragged on the Bank of England would have stepped in to call for the dollars to be repatriated into sterling. The Bank has consented to the acquisition of ACC and its method of financing.

Security and Exchange Commission regulations in the U.S. are at the moment preventing Babcock from spelling out the precise attractions of ACC. The recent record is one of reasonable growth; in 1970, net income per share amounted to \$1.94 and by the end of 1974 this had risen to \$3.26.

For the first nine months of 1975 ACC reported an increase in sales from \$226m. to \$246m., although net profits after tax fell from \$6.056m. to \$4.117m. — equivalent to \$2.52 and \$1.71 per share respectively.

Of the \$14.1m. pre-tax profits achieved in 1974, \$10.7m. came from overseas subsidiaries. Parsons Chain, ACC's U.K. subsidiary, made pre-tax profits of £1.49m. in 1973 on turnover of £11.4m.

Babcock made it known in September—when Babcock and Wilcox U.S. sold its 23 per cent. holding in the U.K. company—that it was seeking to reinvest its funds in North America, with a possible preference for a company involved in the coal industry.

Its other objectives have been to find a better return than that from its holding in Deutsche Babcock; to obtain control; and to make one or more investments ranging from \$20m.-\$80m. in the U.S. engineering sector.

The bid is not agreed and although the ACC has not made any comment so far, opposition is possible.

The ACC share price has traded between \$13⅞ and \$20¼ during 1975. Babcock ended 2p firmer yesterday, at 74p.

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FEATURES

FT SURVEYS

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LOMBARD

Floating system in retreat

BY C. GORDON TETHER

HOWEVER anxious Washington may be to play down the extent to which it has been forced to shift its ground, there can be no doubt that the new understanding on central bank intervention in foreign exchange markets that emerged from the Rambouillet Summit conference represents a major step towards the restoration of an orderly international monetary system. As such, it could—working in conjunction with the arrangements to bring gold back into the monetary picture agreed at last September's IMF meeting—do far more than anything else to clear the way for the urgently-needed revival in world economic activity.

Mr. William Simon, the U.S. Treasury Secretary, is justified, of course, in arguing that "no agreement of any kind has been reached on a fixed exchange system or controls." Such a pact would be unthinkable at this stage.

The international monetary turbulence which the collapse of the Bretton Woods disciplines brought in its wake has now had time to develop built-in characteristics that cannot be easily or quickly eliminated without producing dangerous side-effects.

Unjustified

The important thing is to make a start. Which is precisely what the agreement "to move to more stable structures and, in particular, towards reducing erratic fluctuations in exchange rates" should do if the participating countries intend to implement it in serious fashion—and only time will show whether they do. For the first target of a programme to re-establish an orderly international currency system must be the elimination of the scope and encouragement there is at present for fluctuations in exchange rates that are entirely unrelated to the behaviour of the purchasing power parities of the different currencies.

An examination of the violent way in which the value of the dollar has see-sawed in terms of the leading Continental currencies during the past couple of years illustrates the extent and frequency with which such economically unjustified movements are now apt to occur.

Such irrational fluctuations are obviously calculated to disrupt the flow of international trade—it seems quite probable, for instance, that they have played a considerable part in producing the abrupt check to the previous steady expansion in international exchanges that has occurred in both money and real terms since the middle of last year. But that is not all. Since the behaviour of the leading exchange rates has a considerable influence on nearly all aspects of economic life in every corner of the world, these movements are also apt to have a disorienting effect of a serious order on domestic activity everywhere.

An international drive against erratic fluctuations, however genuine, is obviously not going to banish such evils overnight. For one thing, the expressed intention is only to reduce—not to eliminate—such fluctuations.

Then again, in the absence of any mechanism for comprehensive international supervision of that "mindless monster"—the Euro-currency market—it will not be easy, with the best will in the world, to prevent hot money movements sometimes assuming proportions which no joint central banking effort could hope to control.

Orderly

But the very fact that central bankers are now pledged to take a greater interest in neutralising de-stabilising hot money movements is bound to produce a closer approach to exchange stability than we have known during the past year

No less important is the fact that, it once having been recognised that exchange rates should be permitted to move, broadly speaking, only to the extent that basic economic considerations warrant, governments will find it much less easy than they have of late to manipulate the floating rates system for promoting selfish national ends. And there can be little doubt that one reason why so many advanced countries have been able to offload their oil deficits much sooner than had been expected is to be found in the ease with which they have been able to shape exchange rate patterns that were conducive to this end.

Remembering that the effect of the new understanding on gold concluded at the last IMF meeting will be to allow the metal to resume in some measure its traditional stabilising functions, one thing now seems clear. It is that we are at last beginning to move towards the creation of the orderly monetary base that the world must have

One thing must, however, be said. It is that it is essential that the activities of the central banks' new intervention system should not be cloaked—day-to-day operational necessities apart—in secrecy. Only if all can perceive what it is doing and why it is doing it are we likely to see the necessary confidence in the new approach being engendered.

RACING — BY DOMINIC WIGAN

Station Master's bright prospect

STAN MELLOR, who has made such a highly successful transition from being a top class jump jockey to his new role of National Hunt trainer, looks set for another profitable afternoon to-day, with possible winners at both Worcester and Fontwell.

The best prospect, in my opinion, is the once raced *Station Master*, among the runners at Fontwell's Worthing Novices Hurdle (3.30). Backed down to 5—2 from 4—1 in a division of Newbury's competitive Wood Speen Novices Hurdle a fortnight ago, Mellor's six year old settled matters close home, producing too good a turn of foot for the runner up, Shivers Regal. The remainder, headed by Expresso Bongo, were well beaten off.

With the benefit of that outing behind him, Station Master ought to prove much too good for to-day's opposition, from which Kellagem and Great Surprise are unexpected absentees.

A second possible Fontwell winner for Mellor and his stable jockey, Jeremy Glover, is another six-year-old, Willy What, the

WORCESTER:
2.00—Royal Thurst
2.30—Second Redeemer
3.00—Perambulate*
3.30—Soshezmine

FONTWELL:
1.30—Curlew River
2.30—Sun Trap
3.00—Clare Dawn
3.30—Station Master**

SEDGEFIELD:
12.15—Sharina
12.45—Alf's Carino***
1.15—Village Light
1.45—Kinlnvie
2.15—Filament
2.45—Salmo Lady
3.15—Brave Loot

youngest member of a small but competitive field for the West Sussex Chase (1.30). However, here my preference is for the veteran course specialist, *Curlew River*, who is bidding for his fifth victory here and his fourth over this three and a-quarter miles.

At Worcester, were *Perambulate* is narrowly preferred to another recent winner, Sir Barrymores, in the racegoers club novice chase (3.00), many backers are likely to couple Mellor's pair, *Second Redeemer* and Third Redeemer. The first named looks capable of giving weight away all round in the Fishermen's Hurdle (2.30) from which Jaymar Parade is an absentee; but I doubt if Third Redeemer will be up to dealing with either Christmas Tree or the selection, *Royal Trust*, in the Sportsman's Chase half an hour earlier.

With Sedgefield's Cornforth Amateur Riders Hurdle having had to be divided, there will now be seven races on the Co. Durham track, with the programme scheduled to begin at 12.15. Here *Alf's Carino* cannot be opposed in the Carlton Selling Hurdle (12.45).

SALEROOM — BY ANTONY THORNCROFT

Solid interest in paperweights

CHRISTIE'S yesterday held its best auction of French paperweights since it disposed of Mrs. V. Hutton-Croft's collection three years ago.

The auction yielded a total of £40,740, with most top items exceeding their estimates and only 12 per cent. of lots unsold.

The most interesting feature is a comparison of prices for paperweights which were sold at the 1972 auction and which re-appeared yesterday.

Three of the rare Baccarat snake weights were on the market again. One sold for the same price, £1,365, while the other two showed a useful appreciation—from £1,575 to £2,100, with Spink the buyer, and from £1,260 to £1,995, with Schuell, an American purchaser, acquiring the weight.

French paperweights are a very specialised market, being the output of three factories—Baccarat, St. Louis, and Clichy—between 1846 and 1852, and some of the weights were made in very limited editions.

The best price yesterday was £4,200 given by a French dealer for a St. Louis grasshopper weight of which less than a handful are known to exist. Tillman, a London dealer, paid £3,570 for a Baccarat butterfly weight of which only two are recorded. Both prices were above the estimate.

The other sales were rather low key. Sotheby's Belgravia sold English prints of 1700-1850 for £24,197, with a top price of £1,400 from F. Sabin for a 19th-century bound volume of sporting prints by Henry Alken and after John E. Ferneley and Sir John Dean Paul. The same dealer paid £600 for 12 views of Moscow after Guerard de la Barthe.

Cabinet maker

A small table which had stood in a garage in the Home Counties for many years was sold for £5,800 at Phillips yesterday. An examination showed that it bore the stamp of Charles Topino, an important cabinet maker of the time of Louis XVI.

It was bought by Partridge comfortably above its £2,000-£3,000 estimate, and was the star item in a furniture sale which realised £50,500.

Sotheby's concluded its second session of the dispersal of the botanical library of the late Dr. Arpad Plesch. The day added another £73,812, making a two-sale total of £176,446.

So far the books have brought in £381,548, and the final session will be next year.

The best price yesterday was £5,200 for John Martyn's *Historia Plantarum Rariorum*, published 1728-37, the first botanical book with printed plates in colour, rather than hand colouring.

Pohl's *Plantarum Brasiliae*, in two volumes of 1827-31, sold for £4,800. It contains 200 hand-coloured plates.

Sotheby's biggest sales were overseas. In Hong Kong on Monday confidence returned to the Chinese porcelain market through a sale which totalled £543,585.

Early pieces did exceptionally well. A purple glazed Chun-yao Narcissus bowl of the Sung dynasty (960-1280) sold for £38,000, and a flower pot of the same period made £36,000.

At Sotheby Mak van Waay on Monday night Old Master prints totalled £118,871, with £5,871 for a pen and ink sketch by Roeland Roghman.

£2½m. terminal for Aberdeen

WORK IS TO start later this month on a £2½m. airport terminal building for oil-rich Aberdeen. The British Airports Authority said yesterday that the contract had been awarded to Balfour Beatty Construction (Scotland) Ltd. and the job was scheduled for completion in April, 1977.

Aberdeen is the busiest airport for its size in the U.K. Ten years ago it was used by 50,000 passengers annually—to-day the figure is half a million.

GARDENS TO-DAY

Trees for small gardens

BY ROBIN LANE FOX

HOW SMALL is a small garden? Smaller, certainly, than it used to be 20 years ago: not many gardeners would still remark that they have "only" half an acre. In many famous examples, the keen gardener has only needed a small space: anyone who despairs of this column because he has not the ground on which to take it seriously is advised to look back at the plans and comments of, say, Gertrude Jekyll, one of our great modern gardeners, whose finest garden design only extended, on purpose, to half an acre.

Optimistic

I refer to her plans for Millmead, a Lutyens house near Bramley, Surrey. There is no shortage of optimistic advice nowadays on how to manage a two-acre garden on two days' work in the summer months: Graham Thomas's Ground Cover Plants is eloquent on that subject if you are prepared to give him the benefit of many doubts.

I will only say that I have not managed two acres so idyllically, and do not believe that I could, not even if I used garden plants to no further purpose than the covering of excess ground. Geese and a goat would seem to me to be the best occupants for a garden which is nowadays too large.

If you garden even so much as half an acre, count your blessings, class yourself with the greatest and stop complaining that gardening is only an art for the rich.

You begin with a canvas which is the most desirable size, and anything smaller only requires you to grow more small plants. I wish that more of the many fine small gardens in Britain could combine to open themselves to public visitors. Open days and visits to other gardens set the tone for so many keen and lesser gardeners, yet they are mostly restricted to the larger garden, maintained by staff gardeners and planned in a style with strongly Edwardian connections.

Half an acre or less will hardly contain a large group of visitors, but the few experiments in opening two or three small gardens in one town on the same afternoon seem to me to be a welcome step in the right direction.

A small garden may have possibilities, but many owners complain that it denies them the best shrubs and most of the more interesting trees. When columnists write about trees for autumn colour, their advice, these gardeners argue, is not likely to be relevant to most of the readership. But not all trees are large, and if you are willing to trim those you choose, your garden has to be very small indeed before you can complain of its limits.

Whenever clipped trees are mentioned, gardeners think as far as pleached limes, and usually no further. Down a boundary wall, round an enclosed section of a garden, in place of a hedge, the pleached limes are of course extremely attractive. But they begin to lose their leaves early in the summer and that is a nuisance. They drip the messy "honeydew" for which there is no cure, unless you hunt out the forms called Euchlora or Oliveri. When they have flowered, and pleached limes often do not flower, their leaves are really rather dull. They grow very fast around the points of their yearly clipping and pleaching: I think it is possible to choose something less predictable.

Having planted three semi-standard Flowering Crabs, I am inclined to rate them more highly than any trees which can be clipped into space for a small garden. They grow very easily and are tough, unless you are perverse and choose a particularly rare form or you are unluckily troubled by their disease of scab. They flower profusely. They do not become uncontrollably tall. Some colour well in autumn: others bear masses of very bright fruits. Either way, you are buying two seasons in a single tree, and a small garden is all the better for the result.

Red and orange

If you like a dazzlingly red and orange show of autumn colour you need look no further than Malus Tschonoskii, a tree which has for too long been a victim of its frightful name and which is being unofficially listed as Trailblazer, Autumn Bonfire and the like by garden centres who want to encourage interest in it.

I have not forgotten a huge specimen of this in autumn at the Westonbirt Arboretum in Gloucestershire. It is almost too bright for a small garden and if it was not clipped, it could eventually become far too tall. But like many other crabs, it can be bought as a semi-standard with a neat open head of branches on it. Obviously you do not want to limit too severely a tree is bought for the autumn of its broad sheet of leave by clipping it over in wint can compromise. Its flowe fruit are of no interest branches are rather upri useful quality in a small g

The beauty of Malus Downie and Malus Hornet is very different this. They are never trees, but their autumn blood-red and yellow tively, are quite remar Birds, in my experienc not trouble them. Having John Downie before, I chosen Golden Hornet this I am not sure this is right splendid pair. John seems so far to be the splendid and also flowe freely. Both are extreme to grow. Do not clip smal of course, if you want their fruits.

Perhaps you are not inte in bright crops of inedibl which last until late Nov If so, you should look Malus Floribunda, far th of the Flaming Crabs. In April its rose pink buds out into pale pink flower in clusters on every bran is a tree with a broad broader than its adult heig space it out more carefully the fruiting varieties. I' been trimming one for two after it has flowered, and still confident that it will unmanageable: I could im these trees as semi-stan edging a path or dividing a garden into two sections.

Autumn colour

If you want flowers autumn colour together, I suggest you follow me in room for the fine Malus Y tina This is said to be to northern Italy, thou hardly springs to mind its twiggy stems are cove white flowers in June, ple late for a Crab, and the very often turn a bright in autumn.

It is another round tree, but not an overpo one. If the happy own small gardens satisfy thei for trees on these Flow Crabs and their relations if they will continue to fe prived of the full beauty huge forest tree, too hug their gardens and seldo generous with its seasons many kinds of Malus market.

TV Radio

† Indicates programme in black and white.

BBC 1

9.15 a.m. For Schools, Colleges. 10.15 You and Me. 11.00 For Schools, Colleges. 12.30 p.m. Day and Night. 12.55 News. 1.00 Pebble Mill. 1.45 In the Town. 2.01 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.20 Jackanory. 4.45 These Are the Days. 5.05 John Craven's Newsround. 5.15 Circus. 5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide.
6.50 Pest in the House (cartoon).
7.00 The Superstars.
8.10 Softly, Softly: Task Force.
9.00 News.
9.25 Till Death Us Do Part.
9.55 Sportsnight.
10.45 To-night.
11.20 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bam-Bw! 6.00-6.50 Wales To-day. 6.50-7.15 The Four-day Miss World. 7.15-7.40 Heddiw. 7.40-8.10 Penigamp. 11.20 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools in Scotland. 6.00-6.50 Reporting Scotland. 11.20 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 10.45-11.15 Spotlight on what matters to people in Northern Ireland. 11.15 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
7.05 Trade Union Studies.
7.29 Weather.
7.30 Newsday.
7.55 Twiggy.
8.30 Arena: Art and Design.
9.00 Face the Music.
9.30 "The Whip Hand."
10.55 Newsnight.
11.10 Closedown: Hugh Burden reads "Red Geranium and Godly Mignonette" by D. H. Lawrence.

LONDON

9.30 a.m. Schools Programmes. 10.30 Table Tennis. 11.00 Schools Programmes. 12.00 Here Comes Mumfie. 12.10 p.m. Rainbow. 12.30 Mr. and Mrs. 1.00 First Report: News, plus FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 Looks Familiar. 3.55 General Hospital. 4.25 The Sooty Show. 4.50 Boy Dominic. 5.20 Out of Town.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Cooper.
8.30 Rule Britannia!
9.00 Police Story.
10.00 News.
10.30 The Wednesday Special: Portugal v. England.
11.30 Help! with Joan Shenton.
11.35 The X Film: Patrick Wymark in "The Psychopath."

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Arthur. 6.00 About Anglia. 11.30 The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV To-day including Junior Police Five. 6.00 ATV To-day. 9.00 Zoo Gang. 11.30 Orson Welles Great Mysteries. 12.00 Dennis Eds.

BORDER

12.30 p.m. The Untamed World. †1.20 Border News. 3.25 Shirley's World. 6.00 Border News and Lookaround. 9.00 Police Woman. 11.40 The Protectors. †12.06 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 The Partridge Family. 6.00 Channel News. 6.10 Funky Phantom. 11.25 Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 6.00 Grampian Today. 9.00 Streets of San Francisco. 11.30 Police Newsroom. 11.35 Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Survival. 9.00 Police Woman. 11.35 Boney.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Orbit 5. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Three Little Words. 9.00 Police Woman. 11.30 The Protectors.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd. 10.30-11.30 The Wednesday Special: Wales v Austria.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge. 9.00 Police Woman. 11.30 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 9.00 Police Woman. 11.30 Southern News Extra. 11.40 The Odd Couple.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today at Six. 9.00 Police Woman. 11.30 Chess Masterpieces. 11.60 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 6.00 UTV Reports. 9.00 The Collaborators. 11.30 The UTV Profile.

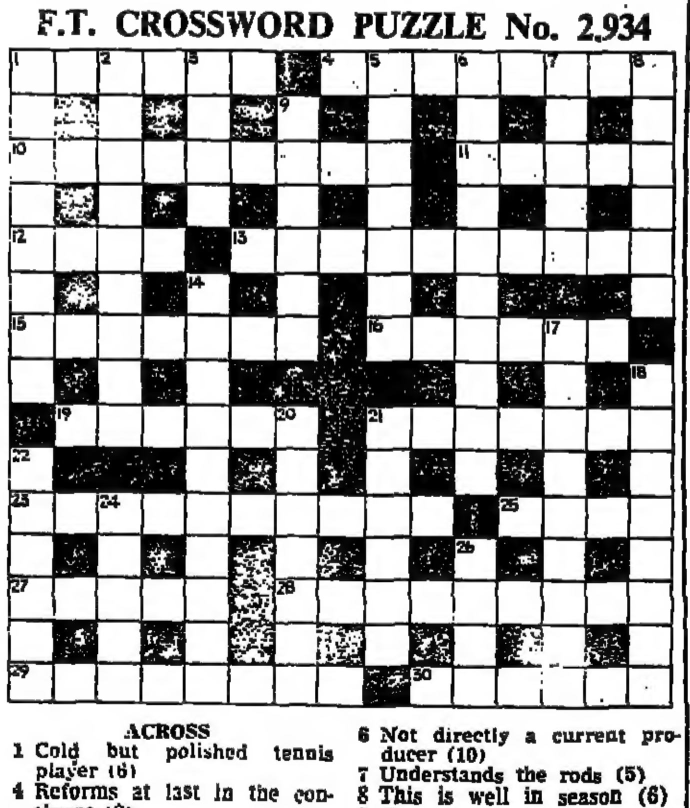
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Partridge Family. 6.00 Westward Diary. 11.27 Westward Late News. 11.30 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Calendar. 6.00 Calendar. 9.00 Police Woman. 11.30 Ski-ing With Gina.

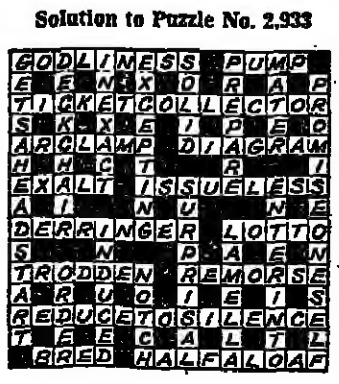
F.T. CROSSWORD PUZZLE No. 2,934



ACROSS
1 Cold but polished tennis player (6)
4 Reforms at last in the continent (8)
10 Understanding and craft keep you off the rocks (9)
11 One who does his best in the City (5)
12 Half a score express thanks in a letter (4)
13 Oxymoronic confinement (4, 6)
15 Hot dog? Sounds great support (7)
16 Canter maybe in a rapture (6)
19 One who is thrifty puts fifty in the plate (6)
21 Order in a newly-wed is a platitude (7)
23 Cake made with substandard loaf? (10)
25 With half a dollar one is an object of veneration (4)
27 Izaak Walton's point of view (5)
28 There's plenty to prohibit in this place (9)
29 A plea to take food in the foyer (8)
30 Frank combines ability and performance (6)

DOWN
1 Miner, though internally unwell, caters for the heads (8)
2 The best plan from conservatism (5, 4)
3 Sounds a permissive continental (4)
5 The Head has a great problem (7)
6 Not directly a current producer (10)
7 Understands the rods (5)
8 This is well in season (6)
9 Composer gets in after church work (6)
14 Soldier starts to look at the detective (7, 3)
17 "Tis the eye of —— that fears a painted devil" (Macbeth) (9)
18 Erudite—sounds a revolutionary source (4-4)
20 An unusual piece might be savoury (7)
21 Are boffins to be found in bars? (6)
22 Press for the fourth (6)
24 Here should be nothing without point (5)
26 The fence causes a laugh (2-2)

Solution to Puzzle No. 2,933



RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 Simon Bates (S) (also on VHF). 4.30 Its DLT OK! 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Ray Moore (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 Simon Bates (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The News Headlines. 7.30 How The West Was Sung (S). 8.02-9.00 VHF only (also 202m Scotland) Command Performance (S). 8.02-10.00 1,500m only: Soccer Special. Portugal v England and Wales v Austria. 9.02 VHF only (also 202m Scotland) Sing Something Simple (S). 9.30 VHF only (also 202m Scotland) until 10.00 when 1,500m joins All-Time Hit Parade (S). 11.02 Sports Desk (1,500m only, also 202m Scotland, VHF joins Radio 1). 11.05 Jean Challis with Music to Midnight (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Aaron Copland (S). 9.45 Hungarian violin and piano sonatas (S). 10.30 British Organ Music (S). 11.15 Midday Concert, part 1: Berlioz, Mozart (S). 12.05 p.m. Words . . . R. W. Burchfield. 12.10 Midday Concert, part 2: Nielsen (S). 1.00 News. 1.05 Concert Hall (S). 2.00 Huddersfield Choral Society, part 1: Kodaly (S). 2.25 Music and the Singer (talk by Peter Pears). 2.40 Concert, part 2: Rossini (S). 4.05 McEwen Memorial Concert (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Language and Communication. 7.30 Historic Performances on Record: Brahm's horn trio recorded in 1933 by Aubrey Brain, Adolf Busch, Rudolf Serkin. 8.00 BBC Symphony Orchestra, part 1: Stravinsky (S). 9.00 The Arts Worldwide. 9.20 Concert, part 2: Beethoven (S). 10.20 Scientifically Speaking. 11.05 Couperin harpsichord recital (S). 11.25 News.

RADIO 4

434m, 330m, 285m and VHF
‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk, 7.35 Today's Papers, 7.45 Thought for the Day, 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Short Story. 9.00 News. ‡9.05 The Living World. ‡9.35 The Year in Question. ‡10.00 News. ‡10.05 In Britain Now. ‡10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Home to Roost. ‡11.30 Thirty-Minute Theatre. 12.00 News. 12.20 p.m. You and Yours. 12.27 Top of the Form. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 The Way of a Nun. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Petticoat Line. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line. 8.30 Sir John Betjeman (S). 9.00 The Reith Lectures 1975. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.30 News.

For Schools (VHF only)—9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03. 206 Showcase. 4.03 In The News. 4.32 Home Run, including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M." —Breakfast show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Robin Houston's Nightline. 1.00 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

CINEMAS ARE CONTINUED ON PAGE 14

:ell Room

Jennifer Smith

by RONALD CRICHTON

iifer Smith was heard at izabeth Hall in *Jephtha* as ly as last Saturday, and it only a matter of weeks al *she gave her last Pur-* oom recital. She was there on Monday, with another gently chosen but exacting .nme, confirming that she of the most gifted and ited of our younger :os. Her accompanist this vas Robin Bowman. Their fell on Purcell, the Portu- composer Croner de icellos, who died last year, ann, Debussy, Poulenc.

singing is distinguished by ualities not often found in full measure in the same intelligence and a firm al line. This line stays at all levels and enables Smith at suitable moments ke effective use of vibrato- one. Since she is already d and promises to become better, she must be judged gh standards. There is a coldness which one is ed to attribute to tone (to make a rough ilisation, more French than h or German) but may as much to do with ice in the use of facial sion and, though she is sly an accomplished it, a reluctance to let colour tone—think what iingers like Croiza and Crespin have made of good vowels.

Since it is rare to-day to find a singer tackling Debussy's *Five Baudelaire Songs*, which are long, complex and difficult, they must come first. With the reservation that her features were a little impassive and that the magnificent poetry (accurately *pronounced*, but that is not everything) could have contributed more, it is hard to think of an English soprano since Maggie Teyte able to sail through these songs with such ease and distinction. Miss Smith chose slow tempos but justified them by her control and by her refusal to let them drag.

The Schumann group was remarkable for fineness and for crisp delicacy. With such singing (and with this juxtaposition) one could understand how much French song-composers owed to Schumann—"Meine Rose" is as drenched in sensuousness as anything in the Debussy-Baudelaire set. Poulenc's *Fiançailles pour rire* were charming even if *the switches from sensuality to* near-farce were not absolutely sure. These things will come. The *Redondilhas* of Vasconcellos (words by Camões), which show a slender but genuine lyrical talent, were done with feeling and humour. Mr. Bowman was admirable at maintaining life and colour in the softest shades of Schumann and Debussy.

ional Portrait Gallery

ne Herschel Album

by ANTHONY CURTIS

a is beautiful; most ally when expressing the raphs of Julia Margaret on, now enjoying a huge l of interest. Last May the al *Portrait Gallery raised*) from sources public and e to purchase the Herschel . This was a volume con- g 94 of her best portraits, ited to her friend Sir John iel, astronomer and scien- ho experimented with the " solution in which could be fixed.

album, the portraits, her n negative box with the of the sitters inked on d, *her lens, her own por-* ainted by Watts, and other on relics, are on view at hibition at the National it Gallery arranged by Ford, Keeper of Film and graphy. At the same time ord has produced a hand- art book *The Cameron Col-* (Van Nostrand Reinhold, ociation with the Gallery, 144 pages) based on the with the photographs re- ced *superby in their actual* plus much interesting phical information about otographer and her sitters. se included many of the eminent Victorians whom ersuaded in the 1860s to efore her camera at Fresh- Bay on the Isle of Wight. sure there was her neigh- and great friend Lord son, and in his wake like Trollope, Carlyle, Holman Hunt, G. F. Watts, Adolphus Liddell, James Spedding, Aubrey de Vere, and Rev. W. H. Brookfield. And also a great many *family portraits and those of servants, local* people and their children.

The album contains no less than seven studies of her niece Julia Jackson, Virginia Woolf's mother, whose beautiful classical profile she never tired of photographing. And there are several of her maid, Mary Ryan, an Irish girl she took into her service when she was 15 and who eventually married Sir Henry Cotton. One of him is most appropriately called "*King Cophetua.*"

Pictorial treatments of classical, Shakespearean or Biblical stories were much in vogue in the Cameron studio. Stray callers or tradesmen might easily find themselves spending the morning modelling supporting or even main roles.

Mrs. Cameron's friend, Sir Henry Taylor, the civil servant and playwright, was particularly accommodating and there are *photographs of him as Ahasue-* rus, King David, Prospero, and Friar Laurence. Is it in any way significant that there are no pictures of her husband in the album? Late in life the couple went back to Ceylon where their son was managing the family estate and she died there in 1879 at the age of 63, but not before she had taken some pictures of the inhabitants. The exhibition remains open until February 29.

'Alfred Tennyson with,' from the Herschel Album

eatre at New End

Death Story

by B. A. YOUNG

avid Edgar is not the first on to have thought of re- ing *Romeo and Juliet* with new and topical barrier between the families. His approach is to make the Capulets the rich bourgeoisie and the Montagues the working classes, *and he adds a military* occupation by Venetian forces for good measure. The fracas that ends in the deaths of Tybalt and Mercutio is the result of a Venetian intelligence scheme that goes wrong.

What Mr. Edgar has failed to do is construct a story out of these materials that is either moving or convincing. His Cockney Romeo (who, in the one effective scene of the play, has to apologise to Juliet for his sexual inadequacy) is neither likeable nor heroic; his Juliet is capable of desire but not of romance. I couldn't believe in anything I saw or heard, and without this advantage I didn't care about the destinies of the players or the causes they stood for. Even *West Side Story* shows more understanding of human intercourse.

The director is Robert Walker, the designer is Jane Ripley and the acting is uniformly rotten.

Trevor Humphries

Nigel Terry, Bridget Turner and Tom Courtenay in Edward Bond's new play 'The Fool,' which opened last night at the Royal Court

Television

The plot shortage

by CHRIS DUNKLEY

Last night's "Play for To-day" by Michael O'Neill and Jeremy Seabrook, *Children of the Sun*, was an exceptional work. Exceptional not in the sense that it was outstandingly original (a menagerie of airline passengers marooned in an airport lounge is a pretty unoriginal situation) nor in the sense that it was unusually well performed (though the currently ubiquitous Georgina Hale did give a better than usual performance as a world-weary fashion model). It was exceptional in having enough of a plot to ensure that the viewer was actually interested in the outcome.

As it happened the end was somewhat weak. When a crowd of English tourists in a new country called Anthropophagia ("anthropophagy" being defined by Chambers as "cannibalism," I suspect a metaphor pointing *at Western European civilisa-* tion here) are held captive by revolutionaries and stripped of their jewellery, their clothes, their cool, and finally all semblance of self-respect, one expects at the end something more genuinely climactic than a general issue of djellabas and a relief flight home.

What matters, though, is that O'Neill and Seabrook did generate enough interest in the body of the play *to ensure* that the nature of the climax was of some significance to the viewer. This made it exceptional, because the rule nowadays among those who write single plays for television seems to be that tone, atmosphere and character are the only things that really matter. The idea of narrative, of plot—of telling a story—is anathema.

Children of the Sun proves that there are exceptions, but the rule for the one-off play is that you use one of two recipes: "Tough North" or "Soft South." The ingredients of the first are a northern industrial *town, a teacher who has given* up schooling to work in an iron foundry, or a steel worker who has been to night school and become a teacher, an attractive middle aged widow with a young son who can communicate only with animals, a nubile girl—either a member of the county set or an intellectual—endless quantities of ale, a rugger pitch and several dozen pigeons. You can mix these in pretty well any proportions you like, in any order you like, and provided that you either show Our Hero frowning darkly and kicking the path as he wanders along a grassy skyline backed by thunder clouds with t'mill lying forbiddingly black in the valley below, or have his father die at some point during the play, you don't actually need to have anything else *happen*. The very existence of the pigeons, the beer and the thunder clouds is considered *by northern* playwrights to amount to a condemnation of the south and, as such, to constitute a completely rounded play.

The other recipe is even simpler: take a middle-aged professional man in London, toss lightly with a neurotic wife whose career has been ruined by years of nappy washing, two children and a young mistress, shoot 20 minutes of erratic con*versation inside a moving* car, another five besides a pond with ducks on it (the Thames foreshore at low tide is permissible as a substitute) and—provided you refer somewhere to the consuming guilt of Our Hero over his homosexual affairs at a minor public school or hint at the way that love for his silly but serene mother and gruff father has been tempered by more guilt over their *right wing* politics—Soft South can get away with even less plot than Tough North.

We have the literature, the drama and the cinema of the late fifties and early sixties to *thank for all this*, and also the large band of broadcasters who still feel, subconsciously at any rate, that the theatre and cinema are the only *real* performing arts (hence the eternal proliferation of television programmes about theatre and cinema, so many of them appalling). One might have expected long ago to find new influences and models replacing Sillitoe and Storey, Beckett and Pinter, *Clayton and Losey*. Yet you can still see *Saturday Night and Sunday Morning*, *The Caretaker* and that first *Room At The Top* peeping through all over the place.

This is not to say that all the single plays on television—or rather on BBC television since ITV seems to have practically forsaken the form—are bad plays. On the contrary, many are very good of their sort. Last week's "Play for To-day," for instance, *Keep An Eye On Albert*, was a strongly flavoured example of Tough North by Brian Glover. It made a change to have as our tough, northern, weight-lifting, ale-supping hero a man who—unlike the sexual athletes we usually find depicted north of a line drawn between Bristol and the Wash—was quite incapable of satisfying his wife or even the newsagent's wife (she was the school teacher in this one; *interesting gender* switch there) although she lured him into the pigeon loft. Joking apart, the atmosphere created by Glover and director Michael Tuchner during the pigeon racing and in the pub was very powerful.

The characters of the four men created by Simon Gray for his two plays last month—*Plaintiffs And Defendants* and *Two Sundays*—were interesting enough on their own to hold one's attention, particularly since Alan Bates and Dinsdale Landen effectively switched roles between the two productions. Peter Nichols' *Forget-me-not Lane*, from the BBC2 series of adapted modern stage plays, was blush-makingly successful in recalling the gaucherie and embarassment of some adolescent relationships. Christopher Hampton's *Savages* illustrated marvellously the liberal dilemma of sympathising simultaneously with three totally contradictory social/political philosophies.

Yet all these plays added together contained less plot than Act II of *The Importance Of Being Earnest*.

The break having been made with the narrative convention of theatre, it would be ludicrous to suggest that every play on television should now be forced back into it. Nevertheless, for those of us *who feel* that story telling is paramount among the theatrical arts it would be nice to have the occasional original TV play with a real honest-to-goodness plot.

*

I have the feeling that if World War III were to be so inconsiderate as to break out at 8 o'clock one evening, leaving no time for the BBC to send out a camera crew, and the only bit of film available to the BBC's newsroom that night happened to be a snatch from an old *Tom and Jerry* film, it would be the cartoon that would lead the *news at 9 o'clock with the war coming* a poor, unillustrated, second.

This thought came to me on Friday, the day that I read a report of a BBC Lunchtime Lecture given by Desmond Taylor, "BBC Editor News and Current Affairs." He was reported to have defended the editorial attitude taken by BBC journalists, and to have declared that "disinterested journalism is basic." The major influence on BBC news *decision-taking*, he said, was the tradition of the editorial office in which they worked, and this was "the determination to tell... people accurately and honestly about the most important things going on in the world."

Two hours later BBC Television's *Nine O'Clock News*, the main bulletin of the day, opened with a long report on a publicity stunt mounted by three IRA bombers who had climbed on to the roof of Wormwood Scrubs prison. The reporter on the spot—with his film crew, of course—told us what it was that the men wanted and, just in case any of us had missed the description of their grievance, the cameraman zoomed in obligingly on the written demand which the men displayed on their banner on the roof.

It would, of course, be quite wrong to suggest that television news should completely ignore *activities which are undertaken* solely as publicity stunts; the hunger marches were publicity stunts and so were the campaigns of civil disobedience organised by the Committee of 100. However, the treatment afforded to the Irish terrorists made Mr. Taylor's claims about importance look very peculiar indeed. (The next morning's Financial Times dealt sensibly with the prison demo in a single paragraph of 41 words).

Having started with what amounted to a nationally networked free plug for the IRA bombers' complaints, perhaps it was felt that some sort of balance *could be achieved by getting the* increasingly avuncular Kenneth Kendall to wind up by wishing the Prince of Wales a happy birthday and trailing a film about him produced by one of David Frost's companies which was to be shown by the BBC later that evening. That, anyway, was what we got.

"Disinterested journalism . . . about the most important things going on *in the* world?"

Repertory at the Phoenix

Rock Hudson, Charlton Heston, Glynis Johns, Louis Jourdan and Juliet Prowse will appear in a season of three plays, each running eight weeks, at the Phoenix Theatre, Charing Cross Road, London, W.C.2. Subscription bookings to the three productions, which begin January 21, will be offered for the first time in London.

Rock *Hudson and* Juliet Prowse will open the season in *I Do, I Do,* a two-character musical based on Jan de Hartog's *The Four Poster*. Glynis Johns and Louis Jourdan will appear in a Georges Feydeau farce—*13 Rue de l'Amour*—to be directed by Peter Dews for a March 17 opening. Charlton Heston will star in *Macbeth*, with additional cast members to be announced at a later date. the Royal Lyceum Theatre, Edinburgh, production will open May 12. Mr. Heston has played the role once before, on stage in Los Angeles.

Veronica Flint-Shipman, owner of the Phoenix, and producer Paul Elliott will co-present the season. "The eight-week periods *have enabled us to bring over* big stars who cannot commit themselves for long theatre runs," explained Mr. Elliott. "The actors are also appearing in plays of their choice."

Saving of more than 20 per cent. will be possible for theatregoers booking all three plays in advance, Mrs. Flint-Shipman said.

Sadler's Wells Theatre

Still Life

The revival of Robert North's *Still Life in London Contemporary* Dance Theatre's second programme allows us to become involved again with an intriguing piece. It is a study in two realities: that of the flesh and blood hero, his friends, family and beloved, and their other selves as seen on film, with North's skill in juggling with our awareness of the two worlds giving the work its initial impact. North as hero strolls nonchalantly between the two: going to a party, missing a tube train, following his girl-friend (Linda Gibbs) through an art gallery, he finds jokes and pertinent observations in the confrontation of film and actuality. The jokes are not over-played, and in the comment on the family they become nicely savage: domestic bliss played out against baby-frightening wall-paper involves some truly disgusting eating habits. North enjoys, and *we enjoy*, too, the tricks with the camera which show him dancing: his creamy, powerful style, with its subtle emphasis, looks as good on film as it does on stage. Best of all is the "real" duet with Linda Gibbs, unaffected in its sincerity, and the closing section in which he melts back into the crowd pouring over London Bridge is as clever as anything else in a clever and oddly moving ballet.

The acquisition of Richard Alston's *Headlong* from the choreographer's Strider repertory is also very welcome. Four fine dancers—Siobhan Davies, Linda Gibbs, Anthony van Laast and Ross McKim—are caught up in Alston's "white" choreography with its cool, unemphatic manner and vivid fixing of images of falling and flight. Stasis and motion are equally well conveyed; nothing is stressed or forced, the manner is matter-of-fact and the dance exists handsomely by itself.

The same, alas, cannot be said of the new work on the bill. Micha Bergese's *Da capo al fine* is plainly full of meaning about the relationship between childhood memory and mature present for a couple: the dancing is reverberant with what I take to be symbols, and they remain, for me, indecipherable. Good *moments in a duet for the* younger selves do not compensate for a generally obscurantist text.

The programme is completed by *Class* which, on a second viewing, still makes very good sense of the Graham technique, and last night was even better danced than at the opening of the season.

CLEMENT CRISP

St. John's, Smith Square

BBC Singers

The central work of Monday's *early evening choral concert was* Kurt Weill's *Recordare* for chorus and boys' voices—not performed when finished, in 1923, later presumed lost, then brought to light in 1970 (this was only its second performance). *Each fresh discovery of* the early, "unknown" Weill sheds further light on a powerfully original musical personality: *Recordare* is no exception.

The settling of the fifth chapter of Lamentations is at once compact, dense and dramatic. The harmony veers towards atonality; the treatment of the vocal lines, ranging from unison to a comprehensive mastery of polyphony, is *richly* varied; the form is unusual, dictated by the composer's apparently bleak, ironic sense of the text.

The plea "Remember, O Lord" *recurs in some form* as a refrain throughout: yet the pileup of angular dissonance and the clash of part against part appear to have the final word, implying that the prayer will surely go unanswered. The boldest streak of imagination is the entry of the boys' voices about half-way, to divide the textures and introduce a gentler range of senti*ments into an otherwise severe* discourse. The final, unresolved chord summarises the disturbing impact of the music.

It was competently given by the BBC Singers under John Poole; the boys were choristers *from St. Paul's, somewhat* nervous at first, summoning their spirits later on. One can imagine a punchier performance, but the formidable difficulties of the music were impressively managed. The opening group of Gabrieli motets, for the Singers alone, was rater less impressive, wanting rhythmic points (the sopranos tend to make a thin sound); the finale, Bach's *Fürchte dich nicht* ambled along, secure of tone but without much fire.

MAX LOPPERT

Gulbenkian inquiries into music and dance training

After its report on professional training for drama, the Calouste Gulbenkian Foundation is to continue its initiative in the field of vocational training. After consultation with the professional bodies concerned, the Foundation will launch forthwith a national inquiry into the training of musicians, as a follow-up to its *report on Making Musicians*, published 10 years ago. Parallel with this inquiry will go a national study of dance education in Britain.

Chairman of the music inquiry will be Professor John Vaizey, who also chaired the Foundation's inquiry into training for drama. Secretary to the inquiry *will be Mr. Michael Barnes.*

Chairman of the dance study will be Peter Brinson, Director of the Foundation's U.K. and British Commonwealth Branch. He was founder and first director of the Royal Ballet's "Ballet for All" company, and is now Chairman of the Dance and Movement Panel of the Council for National Academic Awards. Organising secretary of the study will be Mrs. Joan Maxwell-Hudson.

WORLD TRADE NEWS

India to develop 3 ports for coal

BY K. K. SHARMA

NEW DELHI, Nov. 18.

THE INDIAN Government has decided to develop three major ports and order 30 coal handling plants as part of a programme to boost coal exports to over $200m. a year. The international price of coal has soared following the oil crisis, and India has secured export contracts at $47 a tonne from Burma and Bangladesh.

Major potential consumers like Europe and Japan will offer less because of the high freight payment involved, but it is hoped that an average price of £30 a tonne can be obtained.

Since the cost of production in India is around £1.50 a tonne there are huge profits to be made on coal, quite apart from the valuable foreign exchange earned. But exports of coal are being held up because of lack of adequate port capacity, and this year hardly 500,000 tonnes will be exported.

To improve the situation it is proposed to develop Haldia, Vishakpatnam and Paradeep as important coal-exporting ports and instal mechanical loading machinery there. At the same time efforts will be made to increase coal production.

Chinese eager to sell at Canton, but not to buy

BY OUR OWN CORRESPONDENT

HONG KONG, Nov. 18.

MOST BUSINESSMEN returning after visiting the Canton Trade Fair, which ended on Saturday, say that the trading session was one of the most profitable and interesting in years. Most are optimistic that the upturn indicates a series of good Fairs in the future.

One problem which emerged, however, is greater-than-usual shortages of Chinese export items, particularly of foodstuffs. The cause is apparently increased sales between the semi-annual sessions.

Such shortages indicate that the actual volume of goods sold at the 38th fair might have declined slightly from previous sessions. There will probably not be a decline from the depressed levels of the spring session, which was regarded as disastrous by most experienced traders.

Despite the slight fall, the recent Fair must have been regarded as a good one by Chinese officials because few export commodities remain unsold.

Since the beginning of this year China has had to sell raw cotton which was intended to have been sold in the form of piecegoods at the autumn Fair of 1974 and the spring session this year. Ladies' shoes intended for sale in Hong Kong now grace an occasional ankle in Canton.

Most businessmen say the Chinese were unusually eager to sell. Negotiations went smoothly, with a minimum of time spent on preliminaries. The trading day was extended by opening at 8 a.m. instead of the normal 8.30 a.m.

Preliminary figures available here indicate that more than 650 Americans from 400 companies attended, an increase of about 50 per cent. from the spring.

Businessmen wishing to sell to China at the Fair found unusual difficulties in their way. The Fair is officially called the Chinese Export Commodities Fair, but in the past chemicals, specialty steels and machinery have been sold to China. In recent sessions, steel has been sold in Peking. At the most recent fair, machinery sales were cut very sharply, to nil in some cases.

Japanese attendance remained normal, at about 2,350 persons from 350 companies. Attendance from Hong Kong was expected to decline slightly, but to be made up by greater numbers of traders from South East Asia.

Aside from Chemicals prices, which have drifted down to match world market levels, Chinese prices remained about the same as in the spring. Prices had been cut sharply in preceding sessions.

Zambia refuses to pay port surcharges

By Our Own Correspondent

LUSAKA, Nov. 18.

ZAMBIA HAS objected to the new port charges imposed by the East African Community. Dr. Safeliao Mulenga, Zambian Minister of Power, Transport and Works, who led a six-man delegation to Arusha for talks with EAC officials, said Zambia had refused to pay the 10 and 15 per cent. surcharges recently introduced by the community because of congestion at Dar es Salaam port.

Now Zambia has requested the EAC to reduce or drop completely the 10 and 15 per cent. surcharges. Some 68,000 tonnes of Zambian cargo are at Dar es Salaam awaiting transport. The cargoes include fertiliser, mining equipment and other general goods.

Meanwhile, 400 tonnes of cargo—mostly foodstuffs—has arrived damaged at Lusaka, some of it damaged beyond recognition by the importers. Owners of the consignments have been asked to come forward and identify their cargo or it will be auctioned by the State. The goods are in the State warehouse at Lusaka.

"We have objected to the new rates and we shall continue paying the old rates," Dr. Mulenga declared.

The Minister added that talks with EAC had been put off until next February. He stresed that until the outcome of the negotiations with EAC, Zambia would maintain a status quo.

West will have big export surplus this year with E. Europ

BY DAVID EGLI

GENEVA, Nov.

THE VOLUME of exports of the industrialised market economics to Eastern Europe rose even faster in the first half of this year than in the preceding two years, although the growth of imports from Eastern Europe slackened sharply.

Reflecting both the divergent trends in volume growth of trade and uneven price changes, the export surplus of Western countries rose to an estimated $4bn. in January-May, compared with $2.7bn. and $3.5bn. respectively for the whole of 1973 and 1974 when the terms of trade tended to favour Soviet and East European exports of industrial raw materials and food products.

Short-term recessionary factors were responsible, the UN Economic Commission for Europe finds in its annual survey of East-West trade, for the downward trend in imports from Eastern Europe and the Soviet Union. The ECE cites a 4 per cent. fall in gross domestic product and demand in the first part of this year, as well as European Community protectionist measures taken against agricultural produce, which have since been eased.

In the other direction, East European imports were dominated by long-term factors. In an effort to fulfil current five-year plans, a sharp rate of output growth (6 to 7 per cent.), and especially of industrial output (8 per cent.) was maintained throughout 1974 and the first part of this year.

The modernisation of domestic industries was accelerated and improvements were made in consumer supplies, which ha[...] high import content. There [...] also short-term factors, inclu[...] fluctuating harvests in the U[...] with an increased need [...] imported cereals this year.

At the same time, increa[...] Western credit and better [...] ties for borrowing in the [...] dollar market compensated [...] falls in the earnings of [...] European countries. Howe[...] payments problems [...] reportedly increasing, and [...] ECE forecasts some restrict[...] in the growth of imports [...] Western countries in the m[...] ahead.

Exports and imports of [...] European countries [...] reported to have risen in v[...] terms by 25 and 27 per [...] between 1973 and 1974, with [...] global trade deficit for [...] countries increasing to $2[...] The largest increases in the [...] deficit were recorded for P[...] and East Germany, while [...] Soviet Union was the [...] country in the area to regist[...] larger trade surplus.

It is worth noting, howe[...] that in volume terms exports [...] imports increased 14 per c[...] showing that a substantial [...] of the deficit was attributabl[...] price changes.

The planned growth of [...] turnover for the Eastern [...] this year is some 12 per [...] (perhaps 8 per cent. in [...] terms). But as a result of s[...] price increases for trade am[...] members of the Council [...] Mutual Economic Assistance [...] growth in the value of their [...] in the first half of this year [...] around 23 per cent.

Swiss sales of chocolate fall

BY JOHN WICKS

ZURICH, Nov. 1[...]

THE RECESSION has had a marked affect on the Swiss chocolate industry, according to the Swiss Credit Bank. Sales volumes are currently 22 per cent. below last year's levels on the home market and by 24 per cent. abroad, while the distributive trades are said to be cautious with regard to Christmas ordering. Despite the sharp drop in volume sales, turnover is said to have been "more or less retained."

Reasons for the drop in consumption of Swiss chocolate are given as reserve in buying by domestic customers and a certain preference for smaller weight units, as well as falling tourist levels and the drop in population. On export markets, price increases and disadvantageous exchange-rate conditions have aggravated falling consumption because of the recession.

Alcoa deal

The bank reports, however, that raw material costs, particularly for sugar, have fallen off on the average. In spite of new increases in the cocoa price since June, certain reductions in the previously increased chocolate prices were possible on September 1.

According to the European headquarters of the Alcoa group in Lausanne, the Governm[...] of the Dominican Republic [...] Alcoa Exploration, a subsid[...] of Aluminum Company [...] America (ALCOA), rec[...] signed a bauxite agree[...] which is expected substan[...] to increase revenues to [...] country. The agreement [...] retrospective to April 1, [...] and extends to December [...] 1976.

The agreement covers va[...] tax changes, including a ba[...] levy calculated at the rate o[...] per cent. for 1974 and 7.7 [...] cent. for 1975 and 1976, [...] based on the price realised [...] ALCOA for primary alumin[...] Payment of approximately $6[...] was made by the company [...] 1974 and 1975.

The company will co-ope[...] with the Government in study[...] the feasibility of the Governm[...] establishing an alumina refi[...] plant in the country, utili[...] Dominican bauxite. Domini[...] Government and ALCOA [...] ploration officials noted that [...] agreement was reached thro[...] bilateral negotiation, and re[...] nises the application of Dom[...] can law and principles of in[...] national law.

The Dominican Republic c[...] rently accounts for less than [...] per cent. of ALCOA's [...] bauxite requirements.

IN BRIEF

EEC-Japan textile talks next month

EEC and Japan will resume negotiations in Brussels on December 5 in a bid to reach a long-term textile agreement. Main problem is still the question of reciprocity.

Credit for Indonesia

Lloyds Bank has granted a £20m. line of credit to the Indonesian Ministry of Finance, with ECGD backing, to finance capital goods contracts ordered in the U.K. by Indonesian Ministries. Contracts already fixed include Hymac, Aveling Barford, Ruston Bucyrus, J. C. Bamford Excavators and Caterpillar Tractors.

Caracas seminar

Mr. Gordon Richardson, governor of the Bank of England, is in Caracas for the three day seminar, beginning to-day on banking and financial services offered by the City of London. Venezuela is actively seeking to diversify its traditional ties in trade and finance with the U.S. to include more contact with Europe.

Swiss gap shrinks

Swiss foreign trade deficit for January-October fell 78.6 per cent. below a year earlier to Sw.Frs.1.51bn. (£278m.). Exports declined in value by 6.7 per cent. to Sw.Frs.27.35bn. (£5.02bn.) and imports by 20.7 per cent. to Sw.Frs.28.87bn. (£5.29bn.). Individual October exports exceeded imports by Sw.Frs. 98.8m. (£18.12m.).

Moscow car service

A service station for Mercedes, BMW and VW cars will be opened in Moscow this month as Workshop Number Seven. The project marks another step in USSR official acceptance of imported consumer products. The station will be built, manned and run by Russians, the German companies having delivered special service equipment and having trained the workforce. Spares have been arranged. There are 2,000 cars of the three marques running in Moscow, and 20-25 daily can be serviced.

Swiss export credit

Four leading Swiss banks—Union, Swiss Bank Corporation, Swiss Credit and Swiss Volkesbank have reduced interest rates by ¼ per cent. on new medium and long-term export credits to strengthen the competi[...] ability of Swiss exporters [...] safeguard employment.

N.E. export survey

The North of England Devel[...] ment Council is to organise [...] survey of 3,000 companies in [...] area to examine their exp[...] potential. The survey will [...] carried out by unemplo[...] school-leavers as part of [...] Manpower Services Commissio[...] job creation programme.

Swiss paper exports

Swiss paper and cardbo[...] exports for January-Septem[...] fell in real terms by 40 per ce[...] below a year earlier. Over[...] business has deteriorated [...] since the record output a[...] export levels of last year beca[...] of declining consumption and [...] building up of large custome[...] stocks during the oil crisis. [...] Swiss Credit Bank says ma[...] plants are working short ti[...] and a further worsening of [...] situation is expected following [...] 28 per cent. drop in producti[...] during the first half of 1975.

Cyprus-Gulf links

Mr. Michael Colocassides, Cypr[...] Minister of Commerce [...] Industry, is on a tour of [...] Gulf countries to prom[...] exports to "friendly" Ar[...] states. The team includes Gove[...] ment officials and manufacture[...] of clothing and footwear. Cypr[...] is to export £5m. of cement [...] Syria over the next 12 months.

Contracts Abroad

HOLLANDSCHE AANNEMIN[...] a subsidiary of Hollandsc[...] Beton, a Dutch constructi[...] group, and Dredging Inte[...] national of Belgium, will co[...] struct a new port basin, wi[...] entrance channel, for the p[...] of Damman at a cost of £31[...] work starts at the beginning [...] 1976 and will take 38 month[...] Archirodon, Greece, will buil[...] as sub-contractor a 3 km.-lo[...] protective dam for which n[...] value has been given.

ATAKA, Tokyo, is to export t[...] China a $12m. industrial oxyge[...] generator capable of producin[...] 35,000 cubic metres of oxyge[...] gas hourly. It will be built b[...] Nippon Sanso, Ishikawajim[...] Harima Heavy Industries, Fu[...] Electric and Sumitomo Precisio[...] Products, for shipment in earl[...] 1977.

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AMERICAN NEWS

IA man ks court keep his ıme secret

avid Bell

VASHINGTON, Nov. 18.

J.S. Court of Appeals in ıgton is to-day considering :ent request by a former ıcial that his name should ·:ted from the forthcoming Intelligence Committee dealing with alleged ıation plots agaist foreign

anonymous employee nsuccessfully yesterday to ower court to remove his from the report, which is be published here later ek and is eagerly awaited. :rday's Court hearing was ted in conditions of strict with sheets of black *covering the windows of* :ked courtroom. Among evidence the judge was a copy of the completed which he later said is rrative form and tells in etail a number of alleged ıation plots." The Appeal agreed to meet immeto-day because printing final version of the report to start this afternoon.

rding to Senate committee *ıe former CIA man fears* : may himself be a target ssassination if the report ·ased with his name in ıdge Gerhard Gesell, in ıg his request yesterday, ıat the "*public interest* outweighs any private t" that the man might nd he supported the Coms decision to name the ven though many other have been deleted.

ːisel for raguay

BRASILIA, Nov. 18.

RESIDENTIAL palace has ıed plans by President ı Geisel to visit neighbour:aguay December 3, 4 and ı invitation of Paraguayan *ınt Alfredo Stroessner.*

ıl and Paraguay have work on the $5bn. Itaipu he world's biggest hydro: project, with a planned y of 12.6m. kilowatts.

ıual charges for electricity two countries reportedly ımpeded the signing of a :t for supplying electrical to the construction

official electric companies of Paraguay and Copel of s Parana State reportedly pplying energy on a pro1 basis.

guayan directors of Itaipu d *to favour a single price* :ctricity used in the pro·ut problems could arise ariations in the exchange f the two countries.

Canadian postal service has 'worst strike record'

BY VICTOR MACKIE

OTTAWA, Nov. 18.

THE CANADIAN public service has been hit by 45 illegal strikes since 1970, more than half of them in the Post Office alone. *Treasury Board President Jean* Chretien tabled a report to-day in response to questions showing that the postal service's strike record is unique in the public sector. The Post Office's worst year *for illegal work stoppages* was 1973 when there were a dozen. Most were brief, lasting only a few days. But one persisted through January and February. The current strike is legal, but three others staged earlier were not. New Democratic Party leader Ed Broadbent yesterday blocked approval of a Commons motion calling for a secret ballot vote among postal workers on the Government's last contract offer. The Canadian postal strike is now in its fifth week. Under Parliamentary procedure members must give unanimous consent for an emergency motion raised under the rules. Mr. Broadbent refused to grant that unanimous support.

The Speaker, James Jerome, accepted a motion from the Progressive Conservatives the *official* opposition for an emergency debate commencing at 8 p.m. Members debated the postal strike until 3.30 a.m. this morning. They urged the Government to either bring in back to work *legislation* or appoint a mediator. Postmaster General Bryce Mackasey rejected both suggestions. He said that the Government is prepared to have a showdown with the postal unions even if it takes until Easter to end the strike.

Venezuela plans to spend $1bn. on railway system

BY JOSEPH MANN

CARACAS, Nov. 18.

RAIL TRANSPORT went into an important position in Venezuela's development scheme to-day when the Government revealed plans to spend $938m. on a national system.

The National Railroad Plan, announced to-day at the 13th annual Pan American Railroad Congress being held here, foresees the construction of 1,263km of railways between 1976 and 1980. The new railway lines, which will incorporate the tiny 173km stretch that now makes up the country's entire railroad system, are seen as vital in fulfilling Venezuela's freight transportation needs over the next few years as massive Government investments in industry and agriculture begin to mature.

England, Canada and a number of other countries are *already preparing bids for a* major stretch of the announced railway system.

British Rail, as part of a consortium, is elaborating estimates for a 620 km link which would tie together the country's iron ore and steel producing Guayana region with an industrial centre in North Central Venezuela.

The chairman of BR, Mr. Richard Marsh, said earlier this year that the line would cost several hundred million pounds and added that the British bid would probably be ready sometime early in 1976. The successful bidder in this project will be required to train Venezuelans to run and maintain the system, in addition to carrying out construction work and supplying equipment.

'NASA staff took gifts'

WASHINGTON, Nov. 18.

SEVERAL OFFICIALS of the National Aeronautics and Space Administration (NASA) improperly accepted gifts from a leading U.S. space contractor, Senator William Proxmire said to-day.

At least five NASA employees spent free weekends at a hunting lodge leased by the contractor, Rockwell International Corporation, he said. Other gifts, such as free tickets to football games, were involved, he added.

Rockwell has a $6.4m. contract with NASA as prime contractor for the space shuttle programme—the reusable spaceship being designed for flights in the 1980s. Senator Proxmire, vice-chairman of the Joint Committee on Defence Production, said both his committee and NASA were investigating the gifts which violated Federal regulations. Reuter

Argentina moves up election date

By Robert Lindley

BUENOS AIRES, Nov. 18.

PRESIDENT Maria Estela Peron, with the full backing of her Cabinet, has put a plan to move forward the general elections scheduled for early 1977 to some time in the last quarter of next year.

No proposed new date for the balloting was announced at the end of last night's three-hour Cabinet meeting at the Presidential villa, during which the plan was approved, but with elections now only about a year away, the Government's obvious hope would be that political and other pressures on it would be lessened.

It is, for example, something of an axiom in Argentina that with elections just around the corner, the danger of a coup d'etat is minimal.

The executive plan to put the elections forward is seen here, not as a promise, but as a peace offering to the opposition (the plan was first proposed by Ricardo Balbin, Chief of the Radical Party, the country's second political force, in September) and to the military.

Reuter adds: The announcement came amid widespread calls for the resignation of Senora Peron, who told Congress to-day she would not accept Parliamentary investigations of alleged corruption in her Government until judicial investigations were completed.

It was the first official comment on the move which has been held up by the resignation of a Peronist committee member, Senor Bernardo Montenegro, who said the House had no right to investigate the executive power.

Attorney Gelera Sadi Conrado Massue, who is conducting the judicial inquiries, recently said coruption was widespread among high levels of the Government.

David Bell visits Fountain Hill, a microcosm of U.S. electoral politics and finds voters

Wary of all comers

IF THERE IS one place in America where the nation's political pulse can accurately be taken, it is, according to the pollsters, the small township of Fountain Hill, Pennsylvania.

The 800 voters in its first ward have only got it wrong once in the past 50 years when they backed Senator Hubert Humphrey rather than Mr. Richard Nixon in the very close 1968 election. Mr. Louis Harris, the *veteran opinion sampler, believes* it the best place to ascertain the mood of the nation, and the Kennedy staff monitored its views continuously throughout the 1968 campaign.

Fountain Hill is not much larger than a big English village. It is a self-governing community on the edge of Bethlehem, the headquarters of Bethlehem Steel, whose plant lies just outside the boundary of the township. In former days the steel barons who founded the company lived in Fountain Hill. It was, and still is, conveniently upwind of the pollution from their plant. Their rambling mock-Gothic *stone houses have long since* been turned into funeral homes or apartments, but the area has not in any sense decayed. Its streets are neatly kept and lined with trees, scarcely any black faces have disturbed the community. Its families have lived there long enough to give Fountain Hill a stability not always found elsewhere.

The town is many of the things America used to be and perhaps wishes it still were, but it has not escaped the problems of the 1970s. There is a serious, if comparatively modest, drug problem. Juvenile crime is up 10 per cent. this year, and there have been two murders this year, the first at Fountain Hill in 30 years.

The "Steel," as the plant is known locally, dominates the Fountain Hill economy, despite *an influx of new industries into* the surrounding area. As the U.S. has slipped into recession, Fountain Hill has been insulated to some extent because the steel company has still been filling orders placed in more prosperous times. But the recession has now caught up with the town. Bethlehem Steel lost money in the third quarter, and its executives have just agreed to a 10 per cent. pay cut to help tide the company over. The steel workers, protected to some extent by generous lay off and unemployment pay, are already *used to short time and temporary* lay offs but up to now they have caused a dip rather than a sharp fall of income.

Even so, fear about the economy and particularly about renewed inflation dwarfs any other potential issue. The fact that the town is unionised and heavily Democratic would have meant in earlier times that it would automatically have supported whoever is chosen to run *for the Democrats. Unless the* Republicans can pull their economic rabbit out of the hat, that may very well still be true in 1976. Yet it is clear that this apparent Democratic preeminence conceals a broad range of views which no longer fit into neat party definitions. Loyalties have loosened as they have all over the country, and the concern now is with individuals more than issues or parties. Fountain Hill no longer votes the straight Democratic ticket even in local elections.

Unimpressed

But more than that has changed in the town. Watergate has unquestionably had a deep impact, souring attitudes to the system. For the moment and perhaps for the first time in its history, *Fountain Hill is intensely* wary of all politicians, deeply sceptical about their promises, and unimpressed by their rhetoric.

No one can tell how long that *wariness will last,* but it undoubtedly has a good deal to do with the cool view that the borough is currently taking of the political situation. The unenthusiastic consensus is that Sen. Humphrey is most likely to emerge as the next Democratic candidate, despite the fact that he is unlikely even to run in the primaries. Even those who back him think he talks too much, and one woman said he should quit behaving like the little boy down the street, who is always handing out candy.

As yet there is little interest in any of the myriad other contenders for the presidency. Only the name of Sen. Edward Kennedy gets a really warm response but it is tempered by memories of Chappaquidick and the fear that, *like two of the Kennedy* brothers, he might be shot. Were Sen. Kennedy to run, most people in Fountain Hill seem to believe that they might well end by voting for him, although they have no clear idea why. Perhaps it is because to Fountain Hill John F. Kennedy was the last President "before the storm," meaning Vietnam, trouble in the cities, civil rights.

Yet this is a paradoxical attitude. Fountain Hill distrusts big Government, over-spending, and welfare. Yet Kennedy is recognised as a believer in Government spending. The town's steel workers have flirted with Wallace whose courage in the face of his injuries has given him a new-founded respectability, and he has made a crusade out of his opposition to Federal spending.

Even so, most Wallace supporters would almost certainly switch to Senator Kennedy if he were running, and if this, too, is typical of the rest of the country the Democratic Party may put great pressure on him to change his mind and run, particularly if the Convention fails to find an acceptable candidate in the first few ballots.

Meanwhile, there is little love *for Mr. Ford even though his* wholesome, conciliatory approach did rekindle a little of the old faith in the job when he was first appointed. But as the recession has dragged on and bitten deeper, Mr. Ford has been criticised more and more in Fountain Hill.

To some the *Eminence Grise* behind Mr. Ford still is the former President Nixon, but to most the key to any kind of support is the economy. As one retired drug store owner put it, "If Mr. Ford does not get the economy right, he would not have a Chinaman's chance of getting elected." The so-called Sunday Night Massacre has done Mr. Ford some harm because to the people of Fountain Hill he seemed a trifle vindictive. They *also appear to suspect* that he was not telling the truth when he claimed that there was no rift between Dr. Henry Kissinger and Mr. James Schlesinger, the sacked Defence Secretary. Mr. Ford has since conceded that relations between the two were difficult.

Negative

Mr. Ronald Reagan, the Governor of California appears to have almost no support, principally because he once was an actor. "There are too many show business people trying to get in on the act," one man said.

However Fountain Hill likes hoopla. It is proudest of its band which has won prizes and wears full guard uniform, complete with genuine bearskins. When the political razzmatazz gets going next spring, attitudes may alter swiftly, though no one has much confidence that they will. Indeed a professional politician visiting the town would be able to take home very *little comfort from anything.* Beyond the economy there are no clear issues to seize on, and there is profound scepticism that anyone has a way out of the economic difficulties. Whoever *gets Fountain Hill's vote, it will* probably be a negative one. That is if anyone actually bothers to vote

.S. suit endangers Canadian jobs

JAMES SCOTT

TORONTO, Nov. 18.

OBS of 2,300 Californians ı the balance as two major ational American comand the Canadian Govern*wrangle over the use in* ı of the name and tradeof one of the companies. ı. suit launched by White ıdated Industries of Clevegainst Westinghouse Elec*Pittsburgh for breach of* :t is considered to be a aimed indirectly at ı's foreign investment log, the Foreign Invest-Review Agency (FIRA), *could wreck the livelihood* Canadians working in the ıce division of Westing-Canada, *the* Canadian sub, of the American com-

trouble began when the Vestinghouse company sold ıerican appliance division hite Consolidated a few s ago. That deal also ed an arrangement by White Consolidated's ıan subsidiary, WCI Canada would buy the appliance division of Westinghouse's Canadian subsidiary.

Terms were agreed upon between WCI and Westinghouse Canada subject to approval by the Canadian Government, which has been taking a closer look in the past year at foreign investment in Canada. Only if purchases of Canadian operations by a foreign company will be of "significant benefit" to Canada does the Government permit such purchases. The Government has never spelled out what it means by significant benefit to Canada, so it is difficult to determine why some purchases are approved and others rejected. However, one of the prerequisites of which FIRA bases its decisions is the desire to expand job opportunities for Canadians. WCI maintains that its purchase of Westinghouse Canada's appliance division would have provided greater job opportunities.

However, another suitor for the Westinghouse Canada division was busy in the wings. Canadian-owned GSW Limited, a major appliance maker, also wanted to make a deal, for a *little less money. GSW is one* of the largest companies in the Canadian appliance business and it feared that a purchase by WCI would create undesirable competition and possibly hurt its business, *perhaps* to the point where it might have to lay off some of its employees. Its argument was strong enough to persuade FIRA to reject the WCI bid.

The U.S. suit, therefore, may be viewed as not a confrontation between two U.S. companies, but as a direct challenge by a U.S. company against the authority of the Canadian government. As part of the deal between the two U.S. companies, White Consolidated was to have the rights to the Westinghouse name and trade mark not only in the U.S. but also in Canada. This, of course, would preclude GSW from the use of its name and trade mark if it purchased the Westinghouse Canada appliance *division* and thereon hinges the root of the problem. White Industries says "no deal" and *GSW will not buy the division* without the use of the name.

Industry Minister Donald Jamieson, whose department has been *involved* in the negotiations between GSW, Westinghouse and White, *has steadfastly pursued* the idea of a GSW purchase, but relations between White Consolidated and the U.S. Westinghouse have steadily deteriorated.

If WCI is allowed to keep the Westinghouse name and trademark, Westinghouse Canada would appear to have little choice except to liquidate its Canadian operation. The question is: would the Canadian government permit this to happen?

EUROPEAN NEWS

OECD doubts forecast pace of West's recovery

BY RUPERT CORNWELL PARIS. Nov. 18.

LESS THAN 24 hours after the *rousing* declaration of the Rambouillet Summit, uncertainty over the strength of the West's nascent economic recovery again surfaced at the OECD to-day.

Differences on paper are not large. Whereas the general opinion of governments is that the 24-nation area, embracing all major industrialised countries, will achieve an average 5 per cent. growth in 1976 after a 2 per cent. drop this year, the Organisation's Secretariat expects a figure of only 4 per cent.

Nonetheless, significant differences for individual countries became clear at to-day's opening session of the OECD's Economic Policy Committee, comprising senior Treasury and Central Bank officials. These cast doubt on the strength and duration of the coming upswing.

For Germany, in particular, the Bonn Government's estimate of 5 per cent. growth is seriously queried. The OECD, doubtful over the new buoyancy of export orders, feels the figure might be only 3 per cent., and favours further action to reflate the German economy.

For the U.S. the Secretariat has slightly upped its guess to between 5.5 and 6 per cent. from 5.4 per cent. for 1976. But this is still below the 7 per cent. figure claimed by the administration, which doubtless has next year's Presidential election on its mind.

France's performance, estimated by the Finance Ministry here at 4.7 per cent., could be little more than 3 per cent. For Britain, preliminary OECD forecasts suggest a new decline of 0.2 per cent. next year after one of 2.3 per cent. this year. In London the Treasury is still sticking to a prediction of 2.4 per cent. growth. The disagreement, however academic it seems, is of great importance for unemployment prospects next year. Even 4 per cent. growth, historically respectable, will probably be little more than enough to stop unemploymen rising further in 1976.

On the other hand, prospects for the exchange rate agreement between France and America are being cautiously assessed as quite good here. Although various understandings between the two countries have come and gone in the past two years, it is felt that the memorandum signed by Finance Ministers of the two countries at the economic summit will lead to more orderly market conditions.

According to the French, daily consultation will begin between the U.S., the French and German central banks, to be widened subsequently to other "snake" members. Top European officials feel that the burden of intervention, hitherto three to one in favour of the Europeans, could be spread more fairly, perhaps to two to one or even three to two.

Brandt 'suicide plan'

WASHINGTON, Nov. 18.

FORMER West German Chancellor Willy Brandt considered killing himself during the spy scandal that led to his downfall last year, according to a new biography. "If I had had a shooting iron with me then I would have made an end to it," he was quoted as saying of one *period a few days* before he resigned on May 6.

Herr Brandt was in a mood of deep despair as the implications of the arrest of a top aide accused of being an East German spy grew clearer and as reports spread of love affairs involving the Chancellor.

The biography, The Other German: Willy Brandt's Life and Times, by New York Times correspondent David Binder — tells how the aide, Guenter Guillaume, was given access to State secrets even after he was suspected of espionage. Guillaume has been on trial in Duesseldorf since June 24 accused of high treason. He faces life imprisonment if convicted.

Foot, labour leaders defend import control

BY ROBIN REEVES BRUSSELS, Nov. 18.

BRITISH Ministers, led by Employment Secretary Michael Foot and trade union leaders Len Murray and Jack Jones, joined forces here to-day to defend the U.K.'s right to impose "*selective* and temporary" import controls.

Speaking at the first-ever joint meeting of Common Market finance and labour ministers, representatives of the EEC Commission and both sides of industry, one U.K. representative after another felt it necessary to emphasise that import controls were justified as a counter-measure to unemployment, whatever might be the solution for other EEC countries.

The dominant theme at the one-day conference, long pressed for by European trade unions and agreed to by the EEC summit *last July*, was inevitably the recession. But while all aspects received a thorough airing, with unanimous concern being expressed at the plight of the 5m. unemployed in the Community and the need to reduce this urgently, no specific agreement on a plan of common action emerged. However, it was agreed to report the outcome to next month's EEC summit in Rome and to hold a further joint conference in the spring.

The only strong challenge to the defence of import controls came from the Danish Economic Minister, Mr. Per Haekkerup, who bluntly said that the present was no time for protectionism and recalled the row within Efta in 1964, when Britain imposed a 15 per cent. import surcharge which was later reduced to 10 per cent.

Dr. Hans Friderichs, the German Economy Minister, also indicated some unhappiness at the prospect of U.K. import controls, though not in the same hostile terms as his Danish colleague.

M. Wilhelm Haferkamp, the Brussels Commissioner for economic affairs, also urged governments not to resort to protectionist measures. "These would be an invitation to other *countries to retaliate, and in the* long run everybody would be that much poorer," he said.

Mr. Foot, making his first appearance in Brussels since Britain's EEC referendum, when he opposed continued membership, said that import controls could be helpful rather than injurious. They would not be across-the-board. "We are thinking of particular areas where industry might be wiped out," he told reporters.

Mr. Foot explained to the conference that the U.K.'s most urgent task was to cut unemploy*ment in 1976*. If unemployment became a way of life, there would be incalculable consequences for all, he warned. The solution depended partly on Britain itself and partly on others. He urged those EEC countries in a position to reflate, not to be too timid.

Mr. Denzil Davies, Minister of State at the British Treasury, emphasised that the protection of vital industries must be allowed in the face of dumping or severe competition. "Threatened firms cannot be allowed to go to the wall," he declared. Britain's priority task was to strengthen the industrial base and this, plus high public borrowing, prevented it from taking normal reflationary action, he said.

Mr. Len Murray, TUC general-secretary, attacked the Commission for continuing to rely on the market economy when it should, he said, be pressing for more intervention in industry and direction of investment to create jobs.

He called on the Commission to produce a code of practice to govern the behaviour of multinational companies and specifically drew attention to the Chrysler situation.

Sig. Giovanni Agnelli, head of Fiat and the Italian employers' organisation, said British Leyland was planning similar action in respect of its Innocenti plant in Italy. Sig. Agnelli suggested that Chrysler was the victim of unfair competition from the Government-financed Leyland.

Mr. Murray said that he was not against public finance of industry, whatever its owners. His point was that multinationals did sometimes act in ways which conflicted with the *needs of* the country and its workers.

Mr. Jack Jones, of the TGWU, stressed that every country had to tackle its own problems in its own way. He suggested that other EEC members were not immune to import controls, pointing at West Germany's restrictions of acrylic yarn imports.

But Mr. Jones was particula[r]ly strident about protecting Eu[ro]pean industry from Japan[ese] competition. Imports of Japan[ese] goods by the Nine were val[ued] at £99m. during 1968 compa[red] with about £800m. a quarter ... With the British motor-b[ike] industry now dead as the re[sult] of Japanese competition, ... Jones said, it was not surpris[ing] U.K. unions felt it necessary [to] protect further sections of in[dus]try from being knocked out.

'Only in rare circumstances'

BY NICHOLAS COLCHESTER BONN, Nov. 18.

WEST GERMAN Chancellor *Helmut Schmidt said last night* that a British decision to apply import controls could be justified only by the "most unusual difficulties in particular markets" in light of the declaration made at the close of the Rambouillet economic summit.

Speaking on West German television directly after the meeting, the Chancellor suggested that all government leaders were "much clearer over the course of the dialogue" that would shortly take place in Paris between oil countries, developing countries and the industrialised countries. Clearer, too, he claimed, were the participants ideas for the IMF conference at the beginning of next year where "monetary reform will be discussed for the last time for a long time."

Herr Schmidt plainly felt that the summit had justified the extent of West Germany's stimulative economic policies. He came back saying firmly that there would be no further economic measures to boost West German business because the consensus at Rambouillet had been that the industrialised countries had already taken sufficient action in this respect. After the Chancellor had reported on the summit to his Cabinet this morning, the West German Government spokesman reported that "not a single critical word" had been uttered at Rambouillet about West Germany's economic policy.

Giles Merritt reports from Belfast: Ireland's Foreign Minister, Dr. Garret FitzGerald, has roundly criticised the Rambouillet summit as a threat [to] *co-operation inside the EEC*. [He] said the summit aroused "... concern" among the five ... not invited to the meeting.

Dr. FitzGerald complained [of] what he called the lack of ... consultation within the C[om]munity. He also stressed ... the summit, which he said ... split the unity of the Nine, wo[uld] not have come about if the ... "had in recent years made ... progress in the direction [of] economic and monetary unio[n]." He said it made the task of ... harmonisation all the m[ore] urgent.

The Foreign Minister, spe[ak]ing last night in Co. Limer[ick] hit out at the summit's discuss[ion] of economic, monetary and tr[ade] issues, because these were "... exclusive Community comp[et]ence."

Italian President to sign trade pact with Russia

BY DOMINICK J. COYLE ROME, Nov. 18.

PRESIDENT Giovanni Leone flew to Moscow to-day for what Italian officials describe as a low-key routine visit, but one which the Soviet Union appears anxious to play up as an important meeting devoted to bilateral political questions.

The President, who is accompanied by Sig. Mariano Rumor, the Foreign Minister, is to have talks with the Soviet President, Mr. Nikolai Podgorny and with Mr. Alexei Kosygin, the Prime Minister, but it is being emphasised here that no major new agreements are to be expected.

The visit will, however, be the occasion for the formal signing of a five-year agreement covering economic co-operation between the two countries and a number of major Italian State sector companies are currently in negotiation for new projects in the USSR, helped by a recent Italian agreement to extend Moscow a $900m. credit line.

Italy generally has an unfavourable balance in its bilateral trade with the Soviet Union — worth a total of some L.928bn. last year—but a surplus of just short of L.100bn. has emerged in the first half of 1975, thanks largely to a virtual doubling of Italian exports and no significant rise in imports from the USSR.

President Leone has been petitioned by a number of Christian Democratic deputies here to request the Soviet authorities to permit Mr. Andre Sakharov, the Russian scientist, to leave the country in order to collect per*sonally his Nobel Peace Prize*, but Italian sources indicate that this matter will be touched on only indirectly in the context of exchanges on the implementation of the provisons of the Helsinki agreement.

Our Moscow correspondent adds: In announcing Sig. Leone's arrival, Soviet newspapers hailed recent development of Soviet-Italian trade relations. The daily Sotsialisticheskaya Industria said regular Moscow-Rome contacts had produced a "salutory effect" on bilateral ties.

Italy currently is the Soviet Union's fourth largest Western trade partner.

High poll turnout in Italy

BY ANTHONY ROBINSON Rome, Nov. 18.

RESULTS from partial local elections, which have just taken place, some five months after the nationwide local and regional elections of June 15, indicate that the Communist Party has declined marginally from its high point, that the decline in the Christian Democrat Party's fortunes has slowed and that the Socialist Party has gained further support.

Too much should not be read into a partial election of this kind, which involved the renewal of communal administrations in about 120 communes, which represent only about 1 per cent. of the Italian electorate. Nevertheless, the high 86 per cent. poll turnout and the random geographical spread throughout the country does at least provide a wider sample than that covered in any opinion poll.

CYPRUS ECONOMY

The Greeks resume business

BY OUR NICOSIA CORRESPONDENT

ON THE SURFACE the good old days almost seem to have returned to Southern Cyprus. There is hustle and bustle in the streets of Nicosia and other towns, cafes and restaurants are crowded in the evenings, foodstuffs and other commodities are plentiful in the market. And with the new academic year started, schools only a stone's throw from Turkish army lines have resumed classes. Carefree blue-and-white uniformed boys and girls have almost become accustomed to the machine-gun posts nearby.

But appearances are deceptive. More than a third of the Greek Cypriot population are refugees and have to rely on relief for subsistence; unemployment, which before the war was below 2 per cent., now exceeds 25 per cent.; and although the fear of a new Turkish offensive has receded in most people's minds, the prospects for the future remain uncertain, not to say gloomy.

In refugee camps on the outskirts of Nicosia, old men in black breeches sit outside their tents, staring endlessly at the picturesque villages on the slopes of the Kyrenia mountain range in the north, trying in vain to make out their former homes and farms, now under Turkish occupation. Others wander aimlessly in the streets of the capital or gather in groups in coffee shops, listening to the radio, reading the newspapers, and always asking: "When are we going back to our villages?"

Many others have, in a way, accepted the new situation. People who lost vast resources in the north are re-starting from scratch. Rich businessmen, landowners or hoteliers from Famagusta and Kyrenia who fled south at the time of the Turkish invasion, are planning new enterprises in the south; farmers who abandoned their fields, animals and tractors in the *north are being helped by the* Government to start new crops and farms in the south; others, less ambitious, have opened scores of small restaurants and kebab stalls "just to keep busy until we return to our homes."

The government of President Makarios has launched an "emergency economic action plan" (a revision of the ill-fated Second Five Year Development Programme) and the signs are that the 500,000 Greek Cypriots are getting back on their feet.

The plan provides foi gross fixed capital investment of the order of £C110m. (about £138m.), at current prices, by the end of 1976. Finance Minister Mr. Andreas Patsalides says that only about half of this amount will be provided by the government. The rest, it is hoped, will come from the private sector "with the active encouragement and assistance of the Government." Many of the projects planned are labour intensive to help absorb some 20,000 of the estimated 50,000 unemployed.

The plan also reflects "the more active participation of the public sector in the economic *process,* and the expansion of the *role* of the state *beyond* traditional limits." The private sector is reluctant to face—without Government help—the great business risks stemming from the political uncertainties.

> **TURKEY has renewed its invitation to Greece to open direct negotiations to resolve the disputed jurisdiction of the Aegean Sea continental shelf, a Turkish Foreign Ministry source told Our Ankara Correspondent yesterday.**
>
> **In a note handed to Greek Ambassador Dimitri Cosmadopoulos, Turkey said that "only through negotiations will the two parties find an opportunity to reach a compromise and harmonise their differing views."**

As a result, the Government is actively involved in the major venture under study. A glass bottle factory is to be set up, involving £C1m. investment, and the Development Bank is joining wine and soft drinks manufacturers in the undertaking. Tenders have been invited for an engineering study to launch a £400,000 salt processing plant, near the Larnaca Salt Lake, and the Government may decide to set up a company to run it.

The Government *also proposes* to participate in the share capital of a new industry to manufacture asbestos-cement pipes. The factory is expected to cost £700,000. Other projects planned include a paper factory and a fertiliser plant. A number of local and foreign interests have shown interest in the construction of a ship repair yard at Limassol, and the Government has secured, through the UN, the services of an expert to assist it in making a decision on *the project.*

Greeks are good businessmen; they also have industrial skills. Despite the tremendous resources they abandoned in the north (estimated at over £2.5bn.) industry in the south was operating again, albeit at a reduced level, barely a year after the Turkish invasion. They have *not been able to revive* the tourist industry which was thriving before the war. Tourism, once an important foreign exchange earner, has come to a virtual standstill, but the Government is introducing new loan financing schemes and taking other measures to help interested entrepreneurs construct new hotels in southern *coastal areas, and also planning* the development of beaches in the south, now that it has lost control of the rich seaside resorts around Kyrenia and Famagusta.

The Government believes that Cyprus possesses considerable advantages as a centre for manufacturing goods destined for exports to the Mediterranean region. Mr. Patsalides says that the re-opening of the Suez Canal presents a great opportunity. *The island's location, its* relatively low labour costs, and a well-trained labour force, now idle, are positive factors. So the Ministry of Finance has introduced tax and other incentives to attract foreign investors. The purpose is to promote the establishment of industries such as clothing, footwear, leather goods, assembly units, and plants to process semi-finished goods. Among other incentives, there is tax exemption for a period of five years for exports of locally made products.

In a bid to boost exports, free trade zones are being planned at Larnaca and Limassol; more *industrial estates* are being established to replace those lost in the north; an export credit guarantee scheme *has* been introduced (with the Government providing to exporters cover of up to 90 per cent. of the value of exports, against certain risks); and a campaign *overseas* is being launched, mainly oriented to "friendly" Arab countries.

Mr. Patsalides expects that with these measures, the external payments deficit will be limited to £C10m. and £C17m. in 1975 and 1976 respectively. These amounts do not worry him, in view of the healthy foreign currency reserves situation. It should be noted in this connection that although exports have declined by 20 per cent., imports have dropped even more drastically (by more than 45 per cent.), so that the trade deficit has narrowed by about 60 *per cent.* Austerity measures have been enforced, with a discouragement of luxury imports and the imposition of a special tax on incomes (ranging from 10-25 per cent.) to ensure "a more equitable distribution of the economic burdens."

The main expenditure items in the "emergency plan" are as follows: agricultural and rural development £C18.5m., industry, trade and tourism £C8.3m., building and town planning £C12.3m., roads, ports, airports £C5.9m., and social and other services £C6m.

One priority scheme in the "building" sector already under way is the construction of 4,000 *houses at a costa of £6m.,* to meet the urgent needs of refugees and improve their living conditions.

There are signs that despite the continuing crisis, Cyprus is again attracting foreign business interest. Hitachi of Japan has concluded an agreement with Hellenic Mining of Cyprus for the establishment of a factory to manufacture telephone exchanges; the Soviet Union has signed a ten-year "economic and technical co-operation agreement" with Cyprus to provide credit and technical assistance for a number of industrial and agricultural projects; and a Canadian company is interested in mineral exploration.

urgery for Franco ıled out; PM ındidate returns

ROGER MATTHEWS MADRID, Nov. 18.

32 doctors attending Franco were fighting mounting odds to-day in ttempts to stem a fresh haemorrhage, having ıtly ruled out a fourth on because of the weak- f the Spanish leader's ınd his falling tempera- They described his condi- "critical."

while, *Sr. Manuel Fraga* ıarne arrived in Madrid ernoon, having completed -year term as Ambassador ion, and went directly to ospital where General is being treated. Sr. is one of the men most nentioned as a possible Minister under the future of Prince Juan Carlos, h there is a strong body ıion *which* believes that ambitions must be usly resisted.

wer, the presence of Sr. a former Information Minister, will inject new life into the domestic political scene, and it is unlikely that he will waste much time in making his presence felt. It is expected that during the next few days he may be able to put his views to Prince Juan Carlos.

The Stock Exchange again reacted favourably to the approaching change of régime, rising a further 1.74 per cent. to *maintain* the strong upward trend of the past fortnight. Brokers reported that buying sentiment was based almost exclusively on political factors.

Spain's many illegal political parties are meanwhile moving closer to agreement on a "National Day of Struggle" to oppose the takeover by Juan Carlos. Left-wing sources said to-day that the principal alliances in *Madrid, Barcelona* and the Basque country want to call a general strike before December 15, the only doubt being the attitude of the Communist Party.

ortuguese crisis talks lay Cabinet meeting

PAUL ELLMAN LISBON, Nov. 18.

GUESE President co da Costa Gomes con- here to-day with political litary leaders in a bid to solution to the crisis has paralysed the 's government.

round of discussions the regular Tuesday meeting to be delayed ater this evening. The Minister, Admiral Jose o de Azevedo, and his col- were expected to debate ospects of holding their rovisional government to- following the Communist- h against it over the past

her signs of the condi- he Communists have set ling off their latest cam- emerged to-day as mem- of the Constituent bly, *who had been meet-* Oporto until yesterday, ed in Lisbon for the first since they were held by building workers ek. Dr. Octavio Pato, who rded by many here as a e successor to Dr. Alvaro as the Communist told the Deputies the *was not seeking a forcible* of power.

Nevertheless, he stressed that any solution to the present crisis "necessarily goes through the reinforcement of the Left in political and military structures, *by the unity of all revolutionary* forces and the recomposition of the Armed Forces Movement as a revolutionary force."

This was taken here as further confirmation that the Communists are seeking a bigger stake in government than the one Ministerial portfolio they currently hold.

They are also thought to be calling for the return of General Vasco Goncalves, the former Communist-backed Prime Minister, to the Revolutionary Council of the AFM.

The possibility of a return by Gen. Goncalves from the political wilderness is believed to have been one of the principal topics discussed at a surprise meeting earlier to-day between General Otelo Saraiva de Carvalho, commander of the internal security force, Copcon, who is currently basking in the approval of the Communist Party, and members of the "Group of Nine" officers who masterminded the campaign which stripped Gen. Goncalves *of both his political and military* positions last September.

I MARINO

serene collapse

REPUBLIC OF SAN MARINO, Nov. 18.

COALITION Government n Marino, possibly the oldest and smallest ic, crumbled in the serene r to-day.

pale green and white iniqués of rival parties to public bulletin boards ıed the crisis to the 19,621 tants of this mountain top tate, inland from the ic. near Rimini

three Socialist Ministers 10-member Cabinet re- last week, accusing their Christian Democratic col- s of immobility, am- , indifference and lack of ration.

Christian Democrats met veral hours on Sunday and nously proclaimed the ions rubbish, counter- ing the Socialists with ions that they are simply ed because they had been to gain control of dispen- onstruction planning per- n a ripe patronage plum.

crisis officially begins at to-morrow, when the 60- er Grand and General il (Parliament) convenes ept the Socialist resigna- and tell the Christian crats to find a new partner. tical leaders have left little that, although the ng-up might take a month or more, the Christian Democrats and Socialists will reform the coalition. They also ruled out the possibility of a Left-wing Government like the one toppled by the bloodless, "civil war" in 1957, when the then ruling Communists and opposing Christian Democrats took up arms and Italy threatened a blockade unless the Communists surrendered power. They did—25 days later.

The dissolving coalition began in February 1973 when the Christian Democrats ended a 17-year alliance with the Social Democrats and formed a coalition with the Socialists, whose leader, Sig. Remy Giacomini, said yesterday worked until a year ago: "The Christian Democrats, after having co-operated well, suddenly did an about-face and applied the brakes. They have many internal differences and have not kept up with the times. Their policies do not reflect a majority viewpoint."

Sig. Giacomini, who is Budget and Finance Minister, said: "We have not created the crisis and the way out of it may be very long if the Christian Democrats cannot overcome their general immobility."

More than 2m. tourists have visited San Marino this year. UPI

OVERSEAS NEWS

U.S. concern at Soviet's Angola build-up

BY DAVID BELL

WASHINGTON, Nov. 18.

THE U.S. is watching the build-up of Soviet arms in Angola with increasing concern. But the State Department will not comment on reports here that the U.S. is already giving aid to Mr. Holden Roberto and the FNLA, nor on suggestions that arms earmarked for Zaire are being passed to the FNLA by the Zaireans with tacit approval from Washington.

Privately, however, officials talk of the danger of a "formidable Soviet bridgehead on the continent" if Soviet influence with the MPLA should further increase and if the MPLA should succeed in winning control of the whole country. They are particularly concerned by the power that the MPLA might then have to cut vital Zambian and Zairean links with the sea. But they are also worried about the future of the extensive Gulf Oil installations in Cabinda and about the wider implications of the whole conflict for the future of southern Africa.

Unofficial estimates, based on intelligence reports, suggest that there are between 1,500 and 3,000 Cuban infantrymen in Angola and that the MPLA has been supplied by nearly 200 armoured troop carriers, about 50 tanks and a large number of mobile rocket launchers.

According to these sources, there is also evidence that Soviet technicians based in Congo Brazzaville are helping with the maintenance of this equipment. But officials in Washington have no evidence that there are MiG fighters in Congo Brazzaville.

For its part, the U.S. Government has recently asked Congress to approve a $57m. aid package to Zaire. This has not yet been approved and has run into opposition in the Senate on the grounds that part of this money may, in fact, be secret aid for Mr. Holden Roberto. The U.S. has been giving military and other assistance to Zaire for some time and the FNLA has its base camp inside Zaire. There are unconfirmed reports that Chinese instructors at the camp are training FNLA troops in the use of American weapons.

It is not clear how much aid the U.S. may be giving to the FNLA, either directly or indirectly. Dr. Kissinger testified in secret before a Senate committee last week in an effort to win support for the aid package and to tell Senators about the Angola situation.

But senate sources think it most unlikely that the package will be refused, partly because of fears that Angola might develop into another Congo.

The lack of Congressional support need not matter, as the Administration has enough money in hand under existing appropriations to pay for this amount of aid to Zaire. But if it goes ahead with the package, it is aware that it may run into serious trouble later when it requests aid for other purposes.

At a Press conference in Pittsburgh last week the Secretary of State noted that the U.S. would "participate in any move that keeps outside powers out of Angola." Apart from State Department concern that an MPLA victory might give the Soviet Union the chance to establish naval bases in Angola, the Administration is also anxious to dissuade Zaire from annexing Cabinda and the Gulf Oil installations there. Suggestions have been made that Zaire might take advantage of the current situation to foster Cabinda's own secessionist movement.

Reuter reports from Lisbon that the MPLA is to arm civilians as part of a plan to defend the areas of Angola under its control, according to the Oporto daily newspaper Jornal de Noticias in a report from Luanda.

The paper quoted a broadcast on the MPLA-controlled Angolan State Radio last night which said: "Every Angolan will have his weapon" under a "popular defence scheme" to be introduced throughout MPLA-held parts of the country.

The Lisbon daily newspaper Diario de Noticias reported from Luanda that the government of the People's Republic of Angola had decided to halve the salaries of all its members in an austerity drive.

Editorial comment, Page 16

Dr. Muller denies military involvement

BY DAVID BUCHAN

THE SOUTH African Foreign Minister Dr. Hilgard Muller, in a talk yesterday to the Royal Institute of International Affairs in London, roundly dismissed as "speculation" reports that South African men and equipment were operating deep inside Angola in support of the joint FNLA and Unita forces.

Claiming that South Africa had "nothing to hide," Mr. Muller denied that the recent censorship of military reports of the Angolan war in the South African Press was designed to cloak the involvement of regular South African troops. There had, he said, been "pressure" on journalists (some of them South African) in the MPLA held Angolan capital, Luanda, and hinted that therefore the reports from Luanda were unreliable, and censorship was to avoid "upsetting people."

But he admitted that South African troops were just inside Angola to protect the Cunene hydro-electric project, built with South African money to provide power to both Angola and South West Africa (Namibia).

This had been agreed with the Portuguese, who were to have replaced the South African force. But as Portugal had now totally withdrawn from Angola, that was no longer possible.

He claimed that the Panhard armoured cars (which South Africa builds under licence to a French design), that have been seen as far north as 425 miles from the Angolan-Namibian border, had probably come from French sources.

Dr. Muller conceded that South African aircraft had ferried refugees out of Luanda, but he claimed no knowledge of any South African C-130 military aircraft flying into Angola since independence. His denials yesterday did not rule out the involvement of South African mercenaries.

S. African killed 'on border'

By Graham Hatton

JOHANNESBURG, Nov.

THREE South African s[...] were killed last week by for[...] the South West Africa P[...] Organisation (SWAPO), d[...] headquarters announced i[...] toria to-day. The announ[...] said the action took place o[...] border" and that "the atta[...] were driven off, taking thei[...] and wounded with them. [...] three South African so[...] killed one was an officer-sl[...] a mine and two were pr[...] killed in an ensuing skirmi[...]

To-day's announcement [...] the number of deaths o[...] border announced by the D[...] Force this month to eight. [...] officers and a corporal di[...] a light aircraft accident, [...] one private was killed [...] mortar bomb.

Mrs. Gandhi tests reactions to her Supreme Court victory

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

MR. D. K. BAROOAH, President of India's Ruling Congress Party, said yesterday that Mrs. Indira Gandhi, the country's Prime Minister, was waiting to see the reaction to her Supreme Court victory in the country before deciding whether it was safe to lift the State of Emergency. The Congress chief also hinted that India's leaders are having discussions about whether they can hold a general election with the Emergency still in force.

Some commentators had expected the Emergency to be lifted immediately Mrs. Gandhi had won her Supreme Court victory with the removel of her convictions for corrupt electoral practices. But Br. Barooah told me in London: "Things seem to have settled down, but let's see. India is a large country and we would like to watch and see what is happening in the countryside."

On the question of the general election, which would normally be due early next year, Mr. Barooah said: "There is nothing in the law which says that you can't hold a general election during an Emergency — but whethere it is a proper thing to do is a different matter."

The Congress chief, who is one of a handful of powerful advisers surrounding Mrs. Gandhi, is in *London to try to foster friendship* between Britain and India. He could not give firm answers to questions on the future of the Emergency or possible new amendments to the Constitution, but hinted that there were new constitutional changes to come.

He was critical of the Press and of "vested interests" which could frustrate the Government's best-laid plans. In a speech at the week-end Mr. Barooah gave a clue to the Government's plans: "In Mrs. Gandhi's vision the gifts of liberty and the gains of democracy and modernism are as nought, or illusory, without the manifest substance of economic prosperity and the well-being of the masses of the people. This cannot be achieved without meeting resolute opposition from the vested interests which have gained considerable supremacy through the latitude which a liberal democracy and comparative laissez-faire has given them."

Mr. Barooah replied to British criticism of India's Emergency by saying that the British Government "understood" India's problems. In India, there were five non-Congress Governments in the various states and these had been left untouched; in Britain, the one independent Government—in Northern Ireland—had been stripped of its powers.

Mr. Som Benegal, special adviser to Mr. Barooah, said that the number of political arrests under the Emergency had been exaggerated. There had been "between 800 and 900 political arrests"; the rest had been of people like smugglers. And the masses of the people of India, said Mr. Barooah, "have accepted the Emergency."

The Congress chief denied that India had been involved in any of the coups or coup attempts in Bangladesh, but said that India was concerned about the unsettled situation in that country. "We want law and order to be maintained in Bangladesh and we want the people to have enough to eat—otherwise there will be migration. But how Bangladesh does that is its business," he told me.

Eggs, meat pies thrown at Australia's Premier

SYDNEY, Nov. 18

CARETAKER PRIME MINISTER Mr. Malcolm Fraser was pelted with eggs and meat pies in Darwin to-day as Australia's election campaign took on a boisterous tone.

None of the missiles hurled by Labor supporters hit the leader of the caretaker Liberal-Country party coalition but election rally observers reported several near misses

Mr. Fraser had flown to Darwin for a crowded schedule in the tropical city flattened last Christmas by a cyclone that left 50 people dead.

The Prime Minister's election address included a promise that Australia's Northern territory would get Statehood within five years if his caretaker government is returned to office in the December 13 elections

Although government supporters among the crowd of 1,500 outnumbered the Labor demonstrators at the rally, it proved the noisiest and fiercest in the election campaign so far.

The usually placid Mr. Fraser was visibly angered by chanting Labor demonstrators demanding: "We want Gough."

"If it's Gough you want, take him out to sea and dump him," *he retorted.* He claimed that Communist party supporters were responsible for the disorder.

Mr. Fraser's crowded schedule in Darwin included a tour of the devastated city, sharing drinks with workers and giving television and Press interviews.

By contrast, in Sydney, Mr. Whitlam's electioneering was a relaxed affair—a small picnic rally at a city beach.

Reuter

Leftists split from Karami

BY IHSAN HIJAZI

BEIRUT, Nov. 18.

THERE are signs of a split between Premier Rashid Karami and his allies among Leftist groups over his plan for political reforms.

Leftist leader Kamal Jumblat said the Premier has acted unilaterally and emphasised that the Leftist movement will not budge from its own programme of reforms. Premier Karami has defended his plan and approach to the proposed changes and explained his position to a Leftist delegation which called on him yesterday. Leftist leaders were meeting to-day to discuss the situation.

The reforms proposed by Mr. Karami and the manner in which *he set out to accomplish them* were regarded as moderate compared to the Leftist demands. The Premier has called for a clearer definition of certain articles of the constitution, while Leftists asked for cancellation of some of the articles.

Mr. Karami has also been criticised for taking the matter to the Cabinet instead of confining it to a national dialogue committee which he had formed earlier of 20 leading Moslem and Christian leaders. Mr. Karami explained that the dialogue committee was never a substitute for the Cabinet or Parliament.

The Leftist Press to-day warned of a split between Mr. Karami and the Moslem groups he represents on the one hand and the Leftist movement, which had backed him earlier, on the other.

The political argument appeared to have reflected itself on the ground as more shooting incidents were reported here and *in the suburban areas.*

Eight people were killed this morning in a shoot-out under Fuad Chehab Bridge between the districts of Kantari and Ashrafiyah, while sporadic clashes continued between the confrontation suburbs of Chiyah and Ain al Rummaneh.

Assad will visit Jordan

AMMAN, Nov. 18.

SYRIAN President Hafez Assad will visit Jordan on November 26 for talks with King Hussein on bilateral and Middle East developments, Government sources said to-day. He will be accompanied on the three-day visit by a number of Syrian Government officials.

Syria and Jordan are currently involved in co-ordinating their military and political plans in the confrontation against Israel.

Meanwhile UN Secretary-General Kurt Waldheim says there is a good chance Syria will extend the mandate of UN forces on the Golan Heights and re-open negotiations with Israel, it was reported in Tel Aviv.

UPI

Solomons' Chief Minister quits

HONIARA, SOLOMON ISLANDS, Nov. 18.

THE SOLOMON Islands' first Chief Minister, Mr. Solomon Mamaloni, resigned to-day just one month before the protectorate is due to achieve self government.

A statement from the office of the Chief Minister said the protectorate's Government had been dissolved and was now in the hands of the governor Mr. Donal Luddington.

Mr. Mamaloni was expected to broadcast an explanation of his resignation to-night. His resignation comes as the islands face a new wave of industrial strife.

Reuter

Rhodesia 'settlement' denied

BY TONY HAWKINS

SALISBURY, Nov.

REPORTS of a draft agreement between Mr. Ian Smith and the Nationalist leader Mr. Joshua Nkomo have been denied by both sides in Salisbury. A Rhodesian Government source rejected the reports to-day after the normal weekly Cabinet meeting, saying that discussions so far had not touched substantive issues, but had been confined to preliminaries.

This, in fact, is in line with the view expressed last week by Mr. Nkomo before he left Rhodesia to brief the leaders of neighbouring African States on the talks. Mr. Nkomo stressed that the three meetings held between the two sides in recent weeks have been confined to the arrangements for a conference at which substantive issues would be discussed.

A member of the Nkomo delegation, Mr. Willie Musarurwa, publicity secretary of the Nkomo African National Council, issued a strongly-worded denial to-day. He stressed that the three sessions of talks to date had concentrated on the one outstanding area of disagreement that still existed at the time of the abortive Victoria Falls constitutional conference nearly three months ago. This was the question of immunity for exiled Nationalist leaders.

This point had been agreed and the stage is now set for a conference likely to start in Salisbury at the end of this month or early in December.

Mr. Musarurwa said that it was "100 per cent. correct" to say that no substantive issues—such as representation, franchise and the timing of the advent of majority rule—had been discussed. "I was present at all three meetings. I know what was discussed," he said.

Nationalist sources were also emphasising to-night that no Black leader could sign agreement with the Smith Government that left effective power in White hands. "We have been ruled by the Whites for 85 years without our consent," one said, "and we are not going to rubber stamp that situation with our approval."

One Nationalist source said he expected the real bargaining to start within a few weeks, perhaps preceded by a signing ceremony—such as the one that should have taken place o[...] Victoria Falls Bridge in A[...]—at which the Rhodesian [...]ernment and the N[...] Nationalists would sign a [...]ment of intent to work to[...] an agreed settlement.

Our Foreign Staff adds: [...] Foreign Office yesterday [...] that it had no knowledge o[...] impending visit to Londo[...] Bishop Muzorewa, the lea[...] the more militant faction [...] African National Counc[...] Rhodesia, following the r[...] from Salisbury about an [...]ment between Mr. Smith an[...] Nkomo. But Rhodesia w[...] discussed when President [...] Nyerere of Tanzania, at p[...] on a State visit to Britai[...] Ministerial talks at the F[...] Office to-morrow.

Vorster holds out hope

BY OUR OWN CORRESPONDENT

CAPE TOWN, Nov.

MR. JOHN VORSTER, the South African Premier, claimed yesterday that Black Africa is "having a re-think" about trade with his country. He believed that escalating transport costs were forcing countries to buy from the nearest and best market.

"There are responsible leaders in Africa," Mr. Vorster said, and economic realities would force them to have a closer look at their neighbours. It was wrong to judge all African leaders by the standards of President Idi Amin.

Progress in opening lin[...] communication between [...] Africa and the rest of Afric[...] faster in the past 12 m[...] than he had anticipated, [...] Mr. Vorster. He was [...] prepared to abuse cond[...] and throw names about," [...] from South Africa's poi[...] view the auguries were go[...]

On the Angolan civil wa[...] Vorster forecast that A[...] would be "saddled with [...] problem for a long, long t[...]

House prices rise slows to 3% in third quarter

BY MICHAEL CASSELL

LEVELLING OFF in the rate : increase in new house prices as reflected yesterday in Gov- :nment figures produced with ıe help of building societies.

According to the Department ' the Environment, average :ices for new homes on which :ortgage advances were ɔproved in the third quarter ɪse by 3 per cent. over the :revious three months, when a 5 per cent. average increase ıd been recorded. In the first ıarter of this year there had so been a 3 per cent. rise.

The figures can only provide ı overall indication of price ɪovement and bide the sub- antial variations in trends hich are occurring between ;ffering categories of housing and in different regions.

Prices at the lower end of the market, largely in the second-hand sector, continue to increase at a faster rate than those more expensive properties. However, building societies and estate agents have very recently reported more activity in the range up to around £35,000, largely in the south-east which accounts for the majority of homes in this price bracket. But this movement has not yet had any marked effect on prices.

The Department's survey of house prices at the mortgage approval stage, which precedes by several weeks the actual sale completion, provides the most up-to-date picture but the DOE also conducts a simultaneous survey based on completed transactions. This shows that average prices for new homes during the third quarter, on which advances were approved earlier, rose by 5.5 per cent.

The two sets of figures together indicate some slowing down in the rate of house price increases, which have not in any case been significant this year.

Part of the reason why prices have not taken off—despite record lending by societies—is contained in yesterday's figures, which show that the ratio of house prices to incomes is still higher than it was before the last boom in 1972, although the gap has been steadily narrowing. Houses remain, therefore, relatively expensive.

The building societies themselves now reckon that the average price for all types of housing is increasing at around 1 per cent. a month and most expect an overall average increase of between 10 per cent. and 14 per cent. for 1975.

The Department said yesterday that the average price of second-hand houses on which loans were completed in the third quarter rose by 4 per cent. to £12,110. The average price of new homes on which sales were completed during the same period was £12,270 an increase of 5.5 per cent.

For all housing in the survey, the average advance rose 5 per cent., to £7,530, and the average income for borrowers was £4,180 —7 per cent. up on the quarter before.

Co-op car premiums to rise 13%

By Eric Short

THE CO-OPERATIVE Insurance Society is raising its motor insurance premiums from January 1 by an across the board 13 per cent. for all classes of business, private, commercial vehicles and motor cycles.

This is the first announcement of rate increases applicable in 1976. About 800,000 private car owners will be affected, and overall nearly 1m. policyholders will be paying higher premiums.

The Co-op last revised its rates nine months ago, when it made a 16 per cent. across the board increase from April 1. This followed a rate uplift made six months earlier by an average of 18 per cent.

Thus the trend in its motor rates is for smaller rises at longer intervals. The company said in had tried to defer increases in motor premiums for as long as possible.

The average insurance for a private car after the revision will be about £54, allowing for full no-claims bonus. But motorists renewing in the new year will find that their premiums will be 31 per cent. higher than this year, reflecting the two rate increases.

The company says that the latest increase follows further inflationary rises in the cost of garage repairs and court awards.

STC opens its books on eve of cable cartel hearing

BY CHRISTOPHER LORENZ AND A. H. HERMANN

BRITAIN'S LEADING manufacturers of telephone cables have broken a long deadlock with the Post Office about alleged overcharging in the past by allowing it to investigate their books.

The four suppliers had previously resisted PO insistence on access to their books covering the 1963-74 period, during which some or all of the agreements applied.

Last night though, Standard Telephones and Cables said that "in connection with the unregistered agreements, STC has agreed with the PO to a voluntary investigation of its books and records, and is in the process of agreeing with the PO the extent of the investigation of the prices and costs of telephone cable during the period 1963-74.

"This is expected to enable the PO to satisfy itself that no material damage was suffered by virtue of the operation of the unregistered agreements," the statement concluded.

The STC statement came on the eve of to-morrow's hearing by the Restrictive Practices Court of the case of the telephone cable cartel concerning Post Office tenders. A decision is expected to be given on the same day.

As well as Standard Telephones and Cables, the parties who failed to register and disclose their agreements are British Insulated Callender's Cables, Pirelli General Cable Works, Telephone Cables, and AEI Cables.

The three agreements concerned were dclard void in December 1974 and the parties have since concluded a new restrictive agreement which has been duly registered and is under consideration by the Fair Trading Office. The principal consumer affected by the agreements is the Post Office.

To-morrow's proceedings are based on an application by the Director General of Fair Trading made under section 7 (3) of the Restrictive Trade Practices Act, 1968, providing for an enforcement action against parties operating an undisclosed restrictive agreement. The court has been asked to make an order restraining the parties from giving effect to the agreement concerned or any other agreement with similar effect. It is understood that the application will not be opposed.

If such an order is made, it has two important consequences. First, should the parties attempt to continue to operate the agreements secretly, they would be in contempt of court and would expose themselves to fines. The second, perhaps more practical consequence, would be that a third party, in this case the Post Office, could claim on the basis of such an order damages in civil proceedings against the manufacturers who illicitly operated the three restrictive agreements.

The main interest of to-morrow's case centres around the influence the decision could have on the fate of the new agreement and on the international links of the parties to the agreement. The activities of the International Cable Development Corporation were described in a Monopolies Commission Report of 1952. In 1969, this international cable cartel gave an undertaking to the EEC Commission to desist from home market protection of their members and to operate in the future as a pure export cartel.

In particular, they promised not to ban investment and advertising by one member in another member's country and not to refuse sales at prices lower than those of the local member. The EEC Commission accepted these assurances and "temporarily suspended" its investigation.

'Too many holidays' warning

By Arthur Sandles

ONE of the major tour operators, Swans Tours, has voiced doubts publicly which have previously been expressed privately in the travel industry about the prospect of too many holidays being offered on the British market next year. The result, says Swans, may be an outbreak of late "consolidation" (holiday changes) on a scale not seen for some time.

There has been some concern that the success of the 1975 holiday season would encourage tour operators to take an over-optimistic view of the coming season. However, Swans has now joined companies such as Thomson and British Airways in suggesting that the market is likely to see little real expansion.

Swans has also joined them in the "guarantees war." Mr. Hugh Henry, managing director of Swans, said at the launch of the company's 1976 summer programme that it was promising that there would be no surcharges on any holiday booked before February 1.

Britain has 'key energy role'

BY RAY DAFTER

BRITAIN has a key role to play in the evolution of both a Common Market and world strategy for energy, Mr. Anthony Wedgwood Benn, Energy Secretary, told the Fuel Luncheon Club in London yesterday.

He said that it was hoped that Britain would make the most of its energy assets to reverse the years of "relative industrial decline" and to provide a stimulus for a sound future as an energy-rich manufacturing nation.

Mr. Benn said it would be helpful, however, if new ways were found for bringing together all those involved in energy policies—the fuel industries, users, supplying industries, workers, scientists and technologists.

Japanese inspectors to test cars in U.K.

BY TERRY DODSWORTH

RITAIN APPEARS to have on the battle to persuade the ıpanese Transport Ministry to st vehicles for safety and emisɔn standards in the U.K. rather ıan Japan.

Instead of cars having to be ıipped out to Japan for testing, ritish vehicles will in future : given certificates by Japanese spectors in this country, :cording to reports of a new greement which is due to be ınounced shortly in Japan.

Importers to Japan are faced ith the high cost of shipping :hicles out for testing, although ıey argue that it would be ıuch simpler to test at home here necessary alterations ɔuld be made more easily.

The possibility of altering the present system has been under discussion for several months.

Talks got underway between the Japanese Transport Ministry and the Environment Department after British manufacturers complained of the difficulty of making any impact on the Japanese market because of complicated regulations.

According to reports from Japan, transport attachés will be stationed in Geneva to issue certificates to European cars that have passed safety and emission tests.

There will also be exchanges of information on safety and emission controls to be enforced in Britain and Japan.

Compulsory cover scheme for solicitors

BY A. H. HERMANN

COMPULSORY insurance :heme under which all solicitors ı private practice will be ısured against negligence and ther risks has been adopted by ıe Law Society. Its rules have een approved by Lord Denning, laster of the Rolls.

The insurance policy, ·nged by London Insurance ·s, will generate premiums ɔi ıng some £8.4m. yearly, on ıe assumption that about 24,000 rincipals and partners will be ɔvered, paying an average of 350 in annual premiums. The ıaster policy taken out by the ɔciety on behalf of its members as been underwritten by 15 ındicates of Lloyd's, Guardian oyal Exchange, Royal Insurınce, General Accident, and ,egal and General Assurance. he scheme will result in some ɔss of business to Sun Alliance hich has been underwriting ıdemnity policies taken out ıdividually by most, 90 per cent ccording to one estimate, of all ractising solicitors.

The yearly premiums agreed ɔr the first year of the scheme re £387.50 for a sole practitioner and £310 a partner in a rm of two or more partners. he premiums are index-linked, nd for each of the next two ears will be increased either y 12½ per cent. or 75 per cent. f the official retail price index, whichever is greater.

It is understood that the quotation submitted by Sun Alliance was by about 40 per cent. higher and that this company found it impossible to participate in the consortium at the now adopted premiums. It is understood that the low offer was made possible by a more sophisticated statistical system linking claims with the premiums of the year of the event rather than comparing current premiums with current claim settlements.

The main advantage will be introduction of a standard, unavoidable policy, enabling clients and other parties to know the kind and minimum extent of risks for which the solicitor with whom they are dealing is insured. The cover extends beyond negligence to all professional liabilities, including dishonesty of partners, and covers not only liabilities to clients but also to third parties.

The cover for "each and every" claim is up to £50,000 in the case of sole practitioners and up to £30,000 multiplied by the number of partners in partnerships, so that a firm with three partners would be covered up to £90,000 for each claim. Assistants' and consultants' negligence is also covered, but these are not counted in when calculating premiums or maximum cover.

Paper and board output down 22% in September

BY LORNE BARLING

THE OUTPUT of paper and ɔoard products in the U.K. remained at depressed levels during September, in spite of hopes that an end to destocking might have served to boost output levels during the month.

Nevertheless, observers believe that figures for the following months will a show slight improvement in some sectors, particularly packaging grades. It is now felt that the markets will experience a general improvement in three to four months' time, although the industry can expect a slow return to profitability.

According to figures released yesterday by the British Paper and Board Industry Federation, overall production for the first nine months of the year was down by 22 per cent. on the same period in 1974.

Again the only sector to show any improvement on 1974 was household and toilet papers and tissues, which was up 4 per cent. at 270,000 tonnes.

PRODUCTION OF PAPER AND BOARD

	Sept. 5 weeks 1975 '000 Metric Tonnes	January-Sept. 39 weeks 1975 '000 Metric Tonnes	9 mnths. 1975 of 9 mnths. 1974
Newsprint	27.9	230.9	−20%
Printings and writings, papers and boards	83.1	669.0	−26%
Food wrappings	4.6	33.4	−27%
Kraft wrappings	14.1	108.7	−22%
Other wrapping and packing papers	78.5	553.8	−24%
Household, toilet papers and tissues	31.2	270.6	+ 4%
Other tissues	1.4	13.6	−11%
Industrial and special purpose papers	17.8	134.4	−27%
SUB TOTAL	258.5	2,014.4	−22%
Packaging boards	63.5	479.7	−28%
Boards for industrial and special purposes	19.2	138.6	−15%
Other boards	4.2	31.4	−16%
TOTAL BOARD (excluding printing and building board)	87.0	649.7	−25%
TOTAL PAPER AND BOARD (excluding building board)	345.5	2,664.0	−22%
Building board	1.3	13.9	−21%
TOTAL PAPER, BOARD AND BUILDING BOARD	346.8	2,677.9	−22%

Totals do not always add due to rounding

HOME NEWS

Japanese team inspects U.K. aerospace industry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE POSSIBILITY of collaboration between the U.K. and Japanese aerospace industries on some future civil aviation project — perhaps a derivative of either the One-Eleven or Trident short-to-medium-haul jets — is likely to be strengthened as a result of the current exchanges between the two countries.

The top-level mission from the Japanese Government and aerospace industry now in this country on a two weeks' tour is receiving the most complete briefing on U.K. aerospace capabilities ever given to a foreign delegation, even those visiting past Farnborough air displays.

The aim is to convince the Japanese that the U.K. industry, notwithstanding its current parallel discussions with Western Europe, can still provide Japan with a complete industrial and technological partnership in all aspects of aerospace.

The Japanese mission has already spent one day being briefed on Concorde and other activities of the British Aerospace Corporation. It is spending the whole of to-morrow with Rolls-Royce at Derby, and next week will spend a day with Hawker Siddeley at Hatfield.

Other companies being visited include Dowty Group and Smiths Industries at Cheltenham, Scottish Aviation, Ferranti, Marconi-Elliott, Avica, Lucas Aerospace, Fairey Hydraulics, MEL, Redifon, Plessey, and Decca, as well as the Royal Aircraft Establishment, Farnborough, and the National Gas Turbine Establishment at Pyestock.

The U.K. industry's view appears to be that, despite the threat of nationalisation (which is expected to be reaffirmed in the Queen's Speech at the opening of Parliament to-day), and the current talks with Europe, there is still substantial scope for collaboration with Japan.

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The view is that there are at least two possible areas for future civil aviation development in which the U.K. can play a role—the 100-seater short-haul jet and the 200-seater short-to-medium haul jet, either as new aircraft or derivatives of existing types.

It is thought that perhaps one of these might be a European collaborative venture, with the other being undertaken in collaboration with Japan.

At present there are no commitments, and many of the European companies, especially in France, are doing what the U.K. is now doing—exploring all the options.

The French companies Aérospatiale and Dassault, for example, have been having discussions with the U.S., especially McDonnell Douglas, with possible collaboration on a new version of the Dassault Mercure short-haul jet in mind, while also participating in the so-called Group of Six which is looking at internal European co-operation.

Nothing is going to happen quickly. It may be six months or more before current ideas in Europe, the U.K., the U.S. and Japan crystallise into firm ventures.

This is largely because at present the airlines are resisting all ideas for new aircraft, preferring to wait for a world economic recovery, leading to improved air traffic results, before committing themselves to expensive re-equipment programmes.

Inspectors list their doubts about Tyndale school

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

OFFICIAL INSPECTORS who recently visited the William Tyndale Junior School felt that it was dominated by certain teachers committed to "progressive" methods, according to evidence submitted yesterday to the public inquiry into the Islington school's affairs. The inquiry is into an 18-month dispute between the school's managers and seven of its eight full-time staff.

The Inner London Education Authority inspectors' highly critical report also noted that much of the school's audio-visual equipment was in disrepair, and a radio, a cassette recorder, a cine camera, a still camera, and a carousel projector seemed to be missing.

The team of inspectors visited the school twice.

On the first occasion, in September, the seven teachers were absent on unofficial strike. The report on this visit, which noted a "discouraging" situation and stated that in 1975-76 the school had £1,474 to spend over and above staff salaries, was prematurely disclosed before the public inquiry began.

The report on the second inspection, in October when the staff were back at work, was disclosed yesterday.

In it the inspectors, acknowledging the school's conditions were abnormal at the time, said they were doubtful about:

1 The way the staff's educational philosophies were translated into action.
2 The use of space available.
3 Care of equipment and the balance of the school's allocation of money for spending. (In 1974, ILEA gave it two supplementary allowances, one of £200, the other of £700.)
4 Development of the curriculum.
5 Methods of teaching.
6 Lack of planning and of recording of pupils' progress.
7 The "standards of achievement over the whole range."
8 The teachers' requirements of the children, and the children's response to them.

The report said: "There is perhaps no clear lead in the school—the Head may not want to lead. The fervour of some staff may have led inexperienced teachers out of their pedagogical depth. For some there is such a conviction in their beliefs and practices that they are perhaps not open to persuasion on them."

In English, there were some able children with fluent command of speech and writing and well developed skills of reading and reasoning. But these were almost wholly confined to two of the three small classes of nine- to 11-year-old pupils.

In mathematics there was a generally low output of work and level of achievement.

The report, which Mr. Robin Auld, QC, chairman of the inquiry, emphasised had still to be tested by cross-examination, concluded by saying that the inspectors were not "in a position to offer a final judgment" on the school.

Leonard Burt

Monsignor Bruce Kent (above) accused Mr. John McCall (below), chairman of Consolidated Gold Fields, of sidestepping criticism of the company's treatment of its African workers yesterday.

He was representing the Roman Catholic Archdiocese of Westminster, which has invested £30,000 in the company, at a crowded meeting of shareholders in London.

Mgr. Kent questioned Mr. McCall on issues involving black workers which were the subject of a report published by Christian Concern for Southern Africa.

Some 350,000 Blacks are employed in South Africa's mines, some 65 per cent. of them from outside the Republic, and they are not allowed to settle there by their own and the South African Governments. The remainder come from the Homelands and, if they took their families with them, their own land would be given away by Homeland chiefs in their absence.

"Neither I nor my Board has to my knowledge ever said that we like or want the system of migratory labour," said Mr. McCall, who claimed that many African workers with the company preferred the existing system.

Terry Kirk

Shortage of nursing jobs in Devon

By Donald Maclean

THE DEVON area health authority is reviewing staff levels in an attempt to counter an anticipated total over-spending of £700,000 this financial year, some 1¼ per cent. over its £30m. budget.

Seventeen nurses in Torbay are expected to find no local posts after qualifying. They took their examinations last month and the results are due within a fortnight. Nurses in other parts of the country are in the same situation, which follows restrictions on health authority spending and because—against the broad economic background, and following recent pay increases—the number of nurses seeking posts has tended to increase.

It is understood that posts are available for the 17 Torbay nurses at Yeovil, in Somerset, some 65 miles from Torbay.

North Sea gas pipe contract

BRITISH GAS CORPORATION has signed a multi-million-pound contract with Barclays Export and Finance for the lease of gas-turbine engines to be used in the distribution of North Sea Gas.

The engines will be installed in compressor stations on about 700 miles of large-diameter pipeline carrying natural gas from the northern sector of the North Sea into the existing transmission system at points in Scotland, north-east and north-west England.

The additional pipelines necessary to handle this new source of energy will stretch from St. Fergus on the north-east coast of Scotland to points near Preston and Bishop Auckland.

IN BRIEF

Satellite station

The Post Office's satellite earth station at Goonhilly Down, Cornwall, is to be replaced by a new station on an 80-acre site near Madley in Herefordshire. The Post Office has placed a contract of over £1m. for the first phase.

Welsh chairman

Sir David Davies, former general secretary of the Iron and Steel Trades Confederation, has been appointed chairman of the Welsh Development Agency for three years. Mr. Thomas Somerville Roberts will be deputy chairman.

Chemical ban urged

Prompt action to stop the sale of swimming-pool test kits containing a chemical known to cause cancer has been called for by the Environmental Health Officers' Association.

Scots nationalists adopt moderate Assembly stance

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

SCOTTISH National Party leaders stated yesterday that they would not regard a majority nationalist representation in the proposed Scottish Assembly as a mandate for independence. Such a mandate, they explained, would best be secured by winning a majority of Scotland's 71 Westminster seats.

This statement appears to represent an important moderation of SNP policy on the assembly controversy. Coming just before next week's expected publication of the Government's White Paper on devolution, it may also be a gesture towards those who fear that the nationalists might win control and seek independence on that platform.

Introducing the party's radical manifesto for the assembly in Glasgow, Mr. Donald Stewart, the SNP's parliamentary leader, (MP Western Isles) acknowledged that if the nationalists won control of the assembly they would seek to negotiate extension of its powers beyo[nd] those likely to be countenan[ced] in the Government's Wh[ite] Paper.

But the achievement [of] assembly control would not its[elf] be regarded as a mandate [for] independence. The SNP rec[og]nised that a lot of Scottish peo[ple] favoured the creation of [an] assembly (the latest opinion p[oll] finding puts support for devo[lu]tion at more than 60 per cen[t.]) but that only a minority wou[ld] at present "go the whole w[ay] with the SNP" to independen[ce] (the same poll showed only [...] per cent. favoured separation).

The party, Mr. Stewart sa[id,] would want the record to show [a] convincing majority for in[de]pendence before it felt that [it] had a mandate. The winning [of] 36 of Scotland's 71 Westminst[er] seats (for which the SNP requir[es] only a 9 per cent. swing fr[om] Labour) would represent such [a] mandate, he added.

North Sea exploratory well 'non-commercial'

BY RAY DAFTER

AN EXPLORATORY WELL drilled on North Sea Block 3-23 by the Ball and Collins group has been declared non-commercial.

Sir George Bolton, chairman of Premier Consolidated Oilfields, which has a 10 per cent. interest in the block, has told shareholders that while oil and gas shows were encountered, the well was considered non-commercial.

The block is about 95 miles east of the Shetlands, to the south of the Alwyn Field. T[he] Premier letter said the cos[t of] the well to the company w[as] $600,000, a figure below budg[et].

Interests in the block are B[all] and Collins, the operator, with 10 per cent. stake; Gelsenbe[rg] (20 per cent.); New Engla[nd] Petroleum (20 per cent.); Deutsche Schachtbau (15 p[er] cent.); London United Inve[st]ments (10 per cent.); Premi[er] Consolidated (10 per cent.); Th. Weisser (5 per cent.); a[nd] Preussag (10 per cent.).

Conoco loses £1.05m. in half-yea[r]

CONTINENTAL OIL'S U.K. subsidiary lost £1.05m. after tax in the first six months of this year, compared with a £3.4m. profit for the corresponding period of 1974.

At the same time turnover increased from £115.7m. to £136.3m.

Conoco blames the loss on higher crude oil costs, the fall of the pound against other currencies, and inflation. But the group has not altered its view about its commitment to North Sea exploration and development and to a British presence in general.

As part of its North Sea programme Conoco is investing over £65m. on development [of] northern oilfields due to st[art] production in 1977. The co[m]pany has a 12 per cent. stake [in] the £340m Dunlin Field develo[p]ment, a 3 per cent. share in t[he] £337m. Thistle Field, and a [...] per cent. share in the £370[m] Brent pipeline and Sullom V[oe] terminal system.

Like other major oil com[pa]nies in the U.K., Conoco h[as] applied for an across-the-boa[rd] wholesale price increase of 4p [to] 5p per gallon on oil products [to] reflect increasing costs.

The company may be at od[ds] with some competitors ov[er] spreading the increase.

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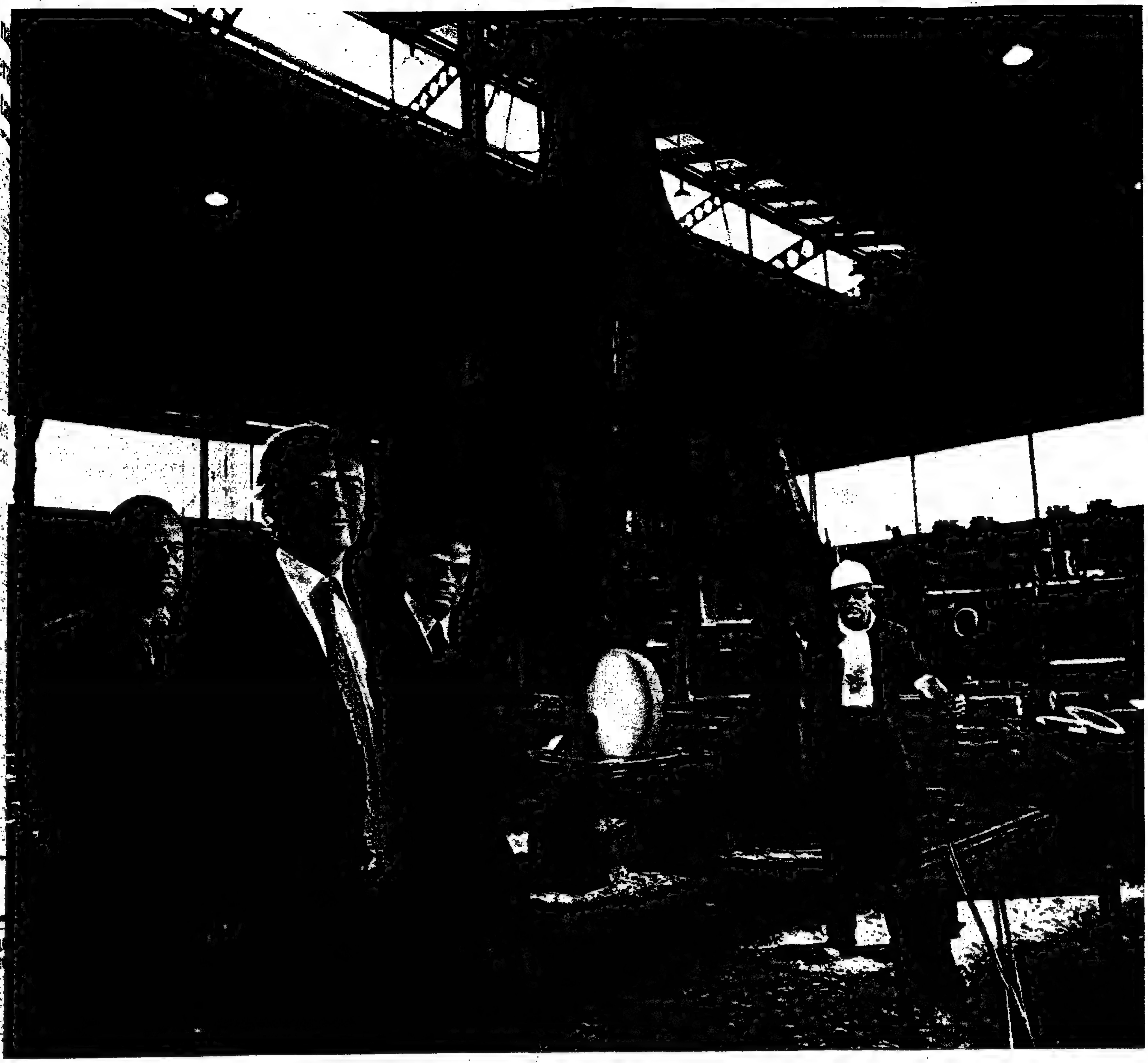

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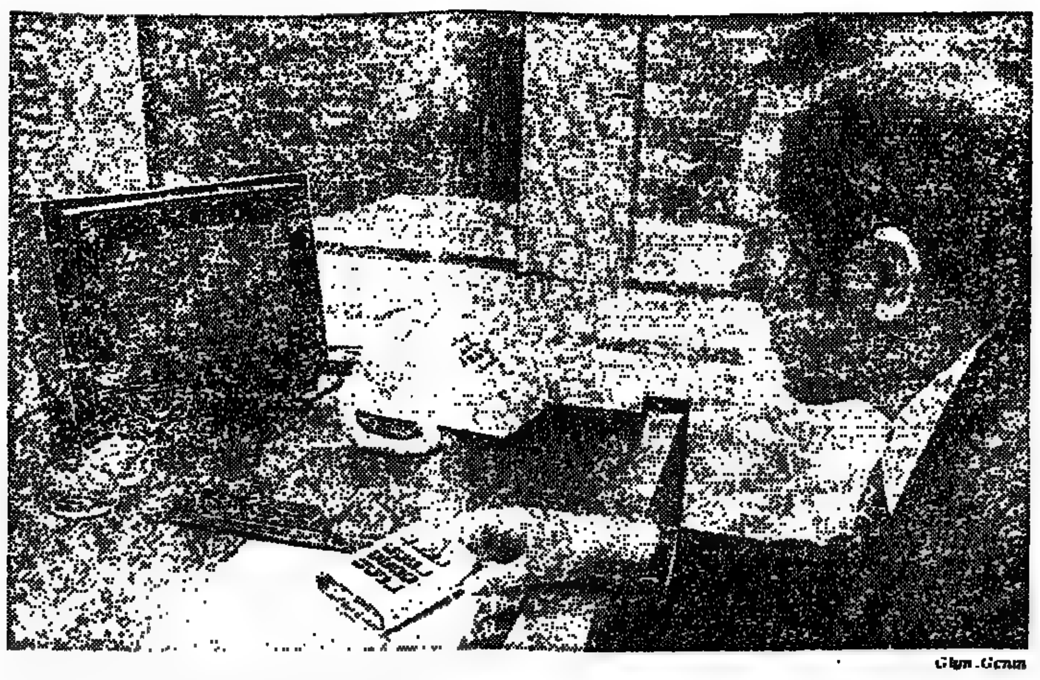
The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS



Glyn Genin

It may be some time before London businessmen can tap this undoubtedly extremely useful Reuter service which is providing New York subscribers to a cable TV network with weather, travel, stock exchange, financial, world news and racing data on demand. Developed by a Reuter subsidiary, IDR Inc., it relies on the coaxial cable network of a local cable TV company and since there is no such facility in London, at least at the moment, to launch here, the company would have to go to the considerable expense of a coaxial cable network. The system is extremely versatile. It has the ability to retrieve the requested information at 70,000 words a second, working through mini-computers with disc memories which search the data base. A working model of the system has been set up at the Reuter headquarters in London —85, Fleet Street.

Dials one number

IN emergency situations where panic or anxiety may be affecting the phone user, or where he is not able, physically, to dial, the SSA1 solid state dialler from Pack's Infotel should prove useful.

Consisting of a programmable read-only memory and auto-dialling circuits, the unit is connected to the telephone line and is programmed with a plug-in keyboard. The SSA1 then remembers the number and from then on the emergency user simply lifts the associated telephone handset and presses the button. No other number can be called until the programmed one is cleared and a new number substituted.

Typical applications would be when police sub-stations are not manned, calls being directed to another station, and in old people's homes or flatlets to enable a specific number to be called for emergency assistance. More from the company at 1, Broomfield Hall Buildings, London Road, Sunningdale, Berks. (Ascot 21666.)

Improved radiophone service

SOME 2,500 private users and road hauliers connected to the Securicor radiotelephone network are to be offered two major improvements in communications facilities.

Drivers using the network are able to communicate with their offices, customers and homes through the 52 radio centres up and down the country but to date have had the irritation of having to leave their sets on "open channel" and so listen to much message passing that is not relevant to them.

Now, selective calling has been introduced so that until there is a message for a specific vehicle, its radiophone remains silent. Quiet driving can be enjoyed by the driver, whose attention to an incoming call is attracted by an alerting light on the set. If the driver is away from the vehicle he can leave the set switched on so that the alerting light will attract attention on returning and he can then call up the radio centre and get his message.

Also being offered is personal paging in which a small unit clipped into the jacket pocket can be of particular value when the driver is away from his car. Previously available only in a few areas, the service is being made nationwide.

An individual's paging unit will "bleep" when its specific code is broadcast from the radio room, and he will know that a message awaits him. He can then contact control either by his car radio or telephone. Securicor, 17 Chelsea Embankment, London SW3 (01-352 8191).

● SAFETY

Much safer coach seat introduced

OVER THE next nine months 200 National Bus Company long-distance coaches will be fitted with seats the design of which is stated to exceed all known safety requirements, and to be much safer than the usual coach seats.

Developed by A. W. Chapman, Rodd Industrial Estate, Govatt Avenue, Shepperton, Middx. (Walton-on-Thames 20551), the seats are similar to those used in aircraft, and the safety aspects cover both seat framework and anchorage points. The company says that dynamic tests, using dummies, proved that the seat and its anchorage points are capable of withstanding the DoE recommended load test criteria of 8G constant deceleration with an inbuilt safety factor of 100 per cent.

Static load tests carried out by Chapman to assess the capability of the seat construction meeting proposed safety regulations showed that the individual backrests deformed by 4.96 inches at a load of 1,250 lb.—maximum allowable deformation is up to 8 inches at 1,000 lb.

The seats have been given the name Chameleon because the trim can be readily changed, or removed for dry cleaning. The frame consists of tubular steel and aluminium castings, and the back rest incorporates a latex foam filling and spring mattress for lumbar support. The cushion is also of latex foam. This construction allows controlled deformation of the seat while retaining the passenger within the seat spacing.

Other safety features include recessed grab handles and foam filled crash pads in the rear of the back rest, to minimise injuries caused by the back of the seat. Ashtrays are recessed in the armrests.

For the front four seats and the middle back seat (facing the gangway) seat belts can be fitted, and tests have shown these will retain a passenger with 12G deceleration (impact at 25 mph).

There are two versions: one costing about £90 is being fitted in the National coaches; the other, costing about £105, has reclining backrests, arm rests, and adjustable footrests, together with a package net.

● CONSTRUCTION

Good design cuts condensation

CONDENSATION in the home is a nuisance which grows as the degree of draught-proofing, double-glazing and overall weather-tightness increases. Recent rapid temperature changes over the U.K. have underlined the way in which water from cooking, baths and the human breath can condense on the internal surfaces of buildings and within members of the buildings' structure.

The result is damage to decoration and rapid fungal growth as well as unpleasant clammy fug which can be injurious to health.

A great deal of work on this subject has been carried out over the years by the Department of the Environment and the Property Development Agency, as well as trade and professional organisations.

Now this joint expertise has been embodied in a new British Standard—BS5250 Code of Basic Data for the Design of Buildings: The Control of Condensation in Dwellings.

It is a comprehensive design Code for architects and designers, also offering valuable advice for people responsible for maintaining groups of dwellings.

Four separate aspects of the design problem are dealt with: heating, ventilation, thermal insulation and permeability of building construction. Only thermal insulation is wholly under the control of the designer though permeability can also be determined to some degree. But no designer can ensure that the provision for ventilation and heating is properly used.

The Code combines insulation practice with assumptions concerning ventilation and heating to form a package that should prevent surface condensation in all but the most exceptional circumstances, BSI asserts.

Interstitial condensation is also covered. This is condensation within the thickness of a building element or within its materials and could be more harmful in its effects on the building than surface condensation inside, annoying though this is.

It is significant that PSA itself has worked with a private concern to design equipment and a system which will exhaust moist but warm air from bathroom and kitchen and extract the heat from it by passage through a heat exchanger with incoming cold air.

It is also relevant that both the Philips house in Aachen and the Swedish energy-conserving house in Malmö exhaust moisture-laden warm air from condensation-prone rooms, as well as other parts of the house and eject it after extracting all the warmth possible. Of course, this adds to the complexity of the ventilation systems and to their capital cost, but the gain in comfort also has a value.

Meanwhile, it has been standard practice in a number of European countries for a long time to ensure that any cooking apparatus is placed under a hood connecting via a controllable vent with a flue which could be shared with a heating unit. This alone goes a long way towards reducing condensation in a home. It does mean, however, that the decision to do this is taken at the design stage.

● METALWORKING

Shaping the ends of tubing

JUST INTRODUCED by Funditor are two models of automatic tube end forming machines manufactured by Curvatubi of Italy.

Suitable for the rapid production forming of flares, flanges, expansions, reductions, etc., in the manufacture of exhaust silencers, sanitary ware, metal furniture, heat exchangers, toys, and other items, the models available will handle tube diameters up to 1½ inch and 4 inch respectively.

All machine motions are hydraulically operated and a special tube clamping system and rapid tool change are incorporated. The punch-forming ram is controlled by a lockable hydraulic flow control valve enabling ram speeds to be infinitely variable. This feature, combined with the manual overriding of the electrical controls, facilitates the setting of the machine and the centralisation of the forming punches in two axes. For certain applications magazine type tube feeders are available.

Funditor is at South Way, Wembley, Middlesex, HA9 0HE. 01-902 3022.

Improves output

DEVELOPED by Bristol Tool and Gauge Co., a double-sided indexer enables the full potential to be obtained from duplex milling machines or horizontally opposed twin-head drilling machines by machining two components simultaneously in an automatic cycle.

It has a through spindle so that workpieces can be held on both sides. The spindle has a 87 mm bore into which a drawbar for automatic clamping of components is fitted.

Rotation (clockwise or anticlockwise) is by a piston-operated rack engaging in a centre gear. After each index the piston retracts and a yoke is actuated, releasing the drive and locking the spindle.

The indexer is purpose-built to provide the specific number of indexes required, which can be from two to 16 divisions, equally divided. Indexing accuracy is within ±0.01 mm at 127 m mradius, equivalent to ±20 seconds of arc. Speed of index is 180 deg. in two seconds.

The indexer will accommodate workpieces up to a nominal "swing-over" diameter of 380 mm, which can be varied to meet requirements. It can be hydraulic or compressed air actuated and is supplied for integration with machine tool controls for automatic operation.

The maker is at Church Road, Kingswood, Bristol (0272 674881).

Readout is fast and accurate

REPLACING slip gauges, height micrometers, squares and other slow-to-use equipment with one very fast and accurate unit, a new digital readout machine has a solid cast iron column, base and handle casting providing a most rigid support for the finely counterbalanced vertical travel carriage.

This has a movement of 515 mm and a measuring tool mounting location for "touch" probes, dial and electronic gauges. Carriage movement is on precise recirculating ball assemblies locating a pair of microlapped hardened steel vee tracks on the column front face.

Mounted inside the column casting is a transmission grating-reader head assembly. The grating is accurate within 001 mm at 20 degrees C over its complete length. This assembly drives a remotely mounted digital readout display with three dual imperial-metric resolution options: .005 mm-.0005 inch; .001 mm-0001 inch; and .0005 mm-.00005 inch.

Windley Bros., Beach's Drive, Chelmsford, CM1 2NW (0245 65111).

Brazing broken broaches

REPAIR OF broaching tools is now a feature of the maintenance work at the Forst Broad Company (G.B.), of Dartford Road, Leicester. Previous practice was for broken broaching tools to be scrapped.

Stubs Welding (a James Neill company) was convinced the tools could be repaired by brazing if the right, high strength alloy were used. There was no record of this having been achieved previously and the parent German company, Oswald Forst GmbH. of Solingen, was especially interested in a solution.

A series of tests established that Stubs No. 6 brazing rods had the required characteristics, including a tensile strength up to 56 tons-square inch. This nickel type, silver-bearing bronze alloy also has a low melting point and its high fluidity ensures a clean joint and minimal machining.

Forst was somewhat sceptical about this type of repair because of the considerable strain to which a broach tool is put in operation. With larger tools a pull of up to 30 tons is exerted, but the company has found no limit on the size of tool which can be repaired.

Stubs Welding, Wilderspool Causeway, Warrington, Cheshire WA4 6QB. (0925 50441).

● POWER

Compresso[r] mounted o[n] a tractor

AN AIR compressor for u[se] with intermittent needs for [com]pressed air from a tr[actor] mounted unit has been devel[oped] by Bristol Pneumatic, L[...] Causeway, Fishponds, Bri[stol] (0272 657511), a member of Bonser Engineering Group.

Designated the 3PL140, [it is] said to be suitable for use [with] the three point linkage of a [wide] range of tractors. The [com]pressor can be connected [or dis]connected in five minutes, [free]ing the tractor for other du[ties].

It is attached by insertion [of] three pins on the pick-up a[rms] and engages the adjust[able] splined shaft drive from [the] power take-off on the tractor. [No] additional gear box or clutc[h is] required. In operation the c[om]pressor is supported by th[ree] legs, individually adjustable, [for] stability on uneven ground. [In] transit it is raised by [the] tractor's hydraulic linkage.

The airflow cooled two-st[age] unit is mounted on a 2 cu[...] tubular air receiver. The dou[ble] acting twin cylinder redu[ces] vibration. Free air delivery [is] 140 cfm at 100 psi (enough [to] drive two heavy-duty breakers[...]

Compact ga[s] turbine

CAPABLE OF operation w[ith] almost any mixture of liquid [or] gaseous fuel, Sulzer has int[ro]duced the type 3 gas turbi[ne] with single (5.3 MW) or tw[in] shafts (7100 hp).

The drive is on the expan[sion] side, and air can be aspira[ted] selectively from the top [or] bottom. A rotatable exhaust [cas]ing provides adaptability [in] plant disposition. The turb[ine] has four horizontal, dou[ble] symmetrically arranged co[m]bustion chambers, and is sta[ted] to be suitable for use as a pri[me] mover for any type of generat[or,] pump or compressor. Sugges[ted] applications include use in [off]shore operations and in [the] desert.

With an efficiency of 27 [per] cent. (33 per cent. with recupe[ra]tor), these turbines are said [to] be among the most economic[al in] this power rating. The gu[ide] vanes of the compressor [are] adjustable, so that good pa[rt] load efficiency can be attain[ed] over a wide operation rang[e.] Shaft speed is 10,600 rp[m,] length 7.4 metres, breadth [...] metres and height 2.7 metr[es] and the machine weighs 27 to[ns.]

First production models w[ill] be available next year—Sulz[er] Bros (U.K.), Bainbridge Stre[et,] London, WC1A 1HS (01-6[...] 7890).

● DATA PROCESSING

Orders kept in control

ANY BUSINESS that has to fill customers orders from stock — wholesalers, distributors, manufacturers of finished goods — can make use of a system announced by NCR called Spirit (sales processing interactive real-time inventory technique).

Designed for companies processing up to 250 orders a day drawn from 10,000 to 20,000 stock items, Spirit is built round the Century 8200 computer to which up to four visual display units can be directly linked for instant data input and retrieval.

Each of the VDU users can be carrying on completely different tasks including order entry and registration, stock and customer account status inquiry and credit authorisation. Via the keyboards the system can also print out invoices, picking lists and despatch documents on demand.

This on-line system is backed up by a batch system which produces statements, credit control reports, status reports on customers' accounts and orders, and the stock situation.

The system is organised around five master files: stock, customers, vendors, a discount matrix, and order status. With instant access to this information managers can make more informed decisions on stock replenishment, goods space allocation or pricing changes. In addition, order clerks can verify shipments, place out of stock items directly on order, or suggest available substitutions and new items to customers.

Spirit's hardware includes the 8200 computer with 48k of memory, a disc unit, line printer and two to four NCR visual display terminals. The disc unit can store up to 9.8m. characters, and it is possible to add a second unit. The printer is available in two models with speeds of 200 or 300 lines/min.

Basic Spirit, consisting of an 8200 with two VDUs, 9.8 Mbytes disc, 200 lines per minute printer, plus an additional suite of financial accounting packages, fully installed and covered for maintenance will rent at £825 per month. The system can be purchased for about £30,000 plus an additional £1,920/annum for maintenance.

LABOUR NEWS

Closed shop likely at Ford

By Our Labour Correspondent

THE FORD Motor Company is set to follow the example set recently by Vauxhall Motors and conclude a closed shop agreement with its recognised trade unions.

Negotiations between Ford and 12 unions are well advanced and agreement, including a check-off system of automatic deduction of union dues at source, could be completed early in the New Year.

The move is one of several innovations being developed in Ford's labour relations policy. Initial moves are also being made by the company in introducing some form of increased participation at shop floor level, although this is expected to be a long term task.

Conditions

Ford employs about 50,000 workers in its 22 U.K. plants and has long encouraged them to join their appropriate union. The result is that few Ford workers are not in trade unions.

At Vauxhall, where about 800 of the company's 22,000 manual workers were outside the recognised unions, more than 700 joined just before membership became a condition of employment last month.

The rest were given between a week and two months to join or face dismissal, depending on length of service, and exceptions on religious or other "reasonable" grounds will be considered.

Jones calls for Wilson meeting on 18,000 jobs

BY OUR LABOUR STAFF

TRADE UNION efforts to prevent massive redundancies in the telecommunications industry received a powerful boost yesterday when Mr. Jack Jones, the general secretary of the Transport and General Workers' Union, publicly called for a meeting with the Prime Minister on the issue.

The 11 unions in the industry have already decided to seek a meeting between their general secretaries and Mr. Harold Wilson, but this is the first time that Mr. Jones has personally intervened in public to warn that the industry must not be allowed to go into a decline.

The unions want Mr. Wilson to support the injection of new funds into the Post Office to enable it to restore its ordering levels of telecommunications equipment to 1973 levels. Otherwise, they fear that up to 18,000 jobs could be lost in the industry.

The Department of Industry and the Post Office between them have ruled out such a course, although some adjustments have been made to the Corporation's ordering programme over the next four years to cushion the impact on the most labour intensive sections of the telecommunications industry. According to one estimate, about 1,000 jobs would be saved by these alterations.

Mr. Jones recalled that more than 3,000 GEC workers had already lost their jobs over the past year, and that another 4,700 redundancies have been called for by the company over the coming 12 months. Plessey has announced some 2,000 redundancies.

"Due to major cutbacks in the British Post Office orders, the very existence of the telecommunications industry is threatened with the loss of 18,000 jobs and it is essential that the whole position is reviewed," Mr. Jones said.

"The industry is an essential part of the technological advance of Britain and must not be allowed to go into decline. We are therefore supporting an urgent meeting between the general secretaries of unions concerned and the Prime Minister."

The unions have invited the general managers of the four major telecommunications companies to join them in requesting a meeting with Mr. Wilson, but have not had a reply so far.

New talks fixed over Container Base dispute

BY OUR LABOUR STAFF

FRESH TALKS are to be arranged between the management of Container Base in Birmingham and regional officials of the Transport and General Workers' Union whom the company has accused of supporting "restrictive practices" that could bring it to the brink of closure.

The agreement was reached at a meeting in London yesterday between national officers of the TGWU, the management of Container Base, shop stewards from the Birmingham base and Mr. Alan Law, TGWU commercial trade group secretary for the Midlands.

The Birmingham base, one of six owned by Container Base in the U.K., has been idle for 12 weeks because the 80 TGWU freight-handlers refuse to carry security passes, which the company wants to introduce in an effort to prevent pilfering.

The company has also alleged that the freight-handlers are "blacking" non-union lorry-drivers in support of a campaign to win total TGWU control over road haulage in the Midlands.

£6 rise in water industry

By Our Labour Staff

SOME 34,000 manual workers in the water industry are to receive the full permitted £6-a-week pay rise from the second week of December, it was agreed yesterday.

The agreement—the latest in a series of public sector settlements for the full £6—will add £10.6m. to the water industry's wages bill, the employers said.

It stipulates that there shall be no further increases in either wages or bonus payments before December next year, thus confirming one of the major principles of the counter-inflation policy which calls for a 12-months interval between settlements.

Minimum wages in the water industry range from £32.72 to £38.32 at present. The £6 will be paid as a straight supplement to earnings.

Threat to Mini and Jaguar production

PRODUCTION of Mini and Jaguar cars in the Midlands could be brought to a halt to-day because of a strike by 230 press operators at British Leyland's car body plant at Castle Bromwich, Birmingham.

The men who make body pressings for a weekly output of 3,500 Minis and 500 Jaguars in Birmingham and Coventry yesterday voted to continue their three-day stoppage over work levels. A Leyland spokesman said they were disputing the amount of work to be completed in a normal shift. There was now an "imminent threat" to car production.

Meanwhile, nearly 3,000 Leyland car workers at the Rover plant at Solihull began to be recalled yesterday after the end of a strike by more than 1,400 assemblers and other workers.

ASLEF says end rivalry between rail, road lobbies

BY OUR LABOUR STAFF

THE GOVERNMENT must end wasteful rivalry between the road and rail lobbies by producing a comprehensive transport policy that uses each network for what it does best, says a special edition of the locomen's union (ASLEF) journal.

The journal, published yesterday, contains contributions from leaders of the three rail unions, from Mr. Jack Jones, general secretary of the Transport and General Workers' Union, and Mr. Richard Marsh, British Rail Board chairman.

It is part of the union's campaign to fight the cuts in services already announced for next year by BR as part of its economy drive now that Government subsidy is to be phased out.

The unions, who have already agreed on special redundancy terms with BR to extend until next June, hope that the Government's promised statement on transport policy early next year will put the economy drive into reverse.

Meanwhile, they are expected to meet the BR Board before the end of the month to negotiate better redundancy payments and mobility allowances for those forced to move, or leave the industry.

All contributions to the ASLEF journal emphasise the environmental advantages of more rail investment and the extra capacity for freight movement available at no extra cost.

Mr. Jones calls for a special joint conference of transport unions under the auspices of the TUC transport industries committee.

Non-strikers win unfair dismissal case

By Our Lincoln Correspondent

TWO CLEETHORPES workmen who were "sent to Coventry" by their workmates for more than a year after refusing to join a national half-day strike have won their case for unfair dismissal, it was announced yesterday by the industrial tribunal.

Mr. Albert Carr and Mr. Arthur Miall claimed unfair dismissal from their £47-a-week jobs as trawler repair fitters with British United Trawlers (Grimsby).

They told last month's industrial tribunal in Lincoln that they thought the company had sacked them to avoid further trouble with other workers. The two men, both 58, and still unemployed, were "sent to Coventry" after refusing to join the national half-day stoppage of engineering workers on May 8, 1974.

The company claimed that it was the attitude of the two men, who refused to work together, act as chargehands or work overtime which led to their dismissal. The tribunal will reconvene soon to consider a claim for compensation by the two men.

Strike plant criticised

BY OUR NEWCASTLE CORRESPONDENT

AN INDUSTRIAL Society report on industrial relations at the Sunderland factory of Coles Cranes is highly critical of both management and shop stewards.

The report, which was given to the 2,000 workers this week, says that there are still stresses and intolerances caused by memories of the "particularly bitter and unpleasant" 13 weeks' strike at the plant in early 1973.

It talks of constant hostility during negotiations, bad language, deliberate brinkmanship, and insufficient priority to safety matters.

But the report, which was the result of a survey during the summer, says there are distinct signs of an improvement.

Management and unions said they would be carrying out most of the recommendations which include "lowering the suspicion barrier, forgetting the past and building for the future," greater self-control in negotiations, the setting up of a chain of consultative committees, and more briefing of the workforce.

Mr. Bill Jack, the managing director, said a sign of the improving atmosphere was a 40 per cent. increase in productivity over last year and the elimination of a £115,000 a month loss at the Sunderland factory.

The report had been suppressed for several weeks after the company threatened to take out an injunction against local newspapers who had leaked its contents.

Sheffield fear over steel dumping

A TRADE union campaign to combat the "dumping" of Japanese steel in Britain has been launched by trade unionists in Sheffield, where thousands of jobs could be jeopardised.

In the last fortnight two Sheffield stainless steel stockholders have bought 600 tons from Japanese producers, according to shop stewards at a company in the city.

The Joint Shop Stewards' Committee at the Firth-Vickers stainless steel company, which has a workforce of 1,200, accused the Government of standing idly by and engineering firms of "biting the hand that fed them" by taking cheap Japanese steel.

Their campaign was welcomed by Mr. Peter Johnson, area manager of the British Independent Steel Producers' Association, who said the situation was at least as serious as the unions had disclosed.

Wool textile exports up £1m. on month

EARNINGS from wool textile exports in September were £17.2m., which is £1m. higher than in August. They were £1.4m., 9 per cent., higher than in September 1974.

In the first nine months of 1975 exports totalled £158.1m., which is £24m. (13 per cent.) lower than in the same period of 1974, reflecting the continued world recession in textiles.

Shipments of raw wool were £17.6m., a decline of £3m., 15 per cent. (10 per cent. higher in volume) compared with January-September 1974.

Yarn exports fell by 18 per cent. to £26.3m. (20 per cent. less in volume) and of wool cloth by 13 per cent. to £70.2m. (20 per cent. less in volume). Earnings from tops (combed wool) declined by 5 per cent. to £20.1m. but were 14 per cent. more in volume.

LEGAL NOTICES

IN THE MATTER of THE COMPANIES ACT, 1948
and
IN THE MATTER of
F. J. BAYNES (AYLESBURY) LTD.
Registered Office:
Northampton House, St. Paul's Rd., London, N.1.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above named Company will be held at Winchester House, London Wall, E.C.2, in the City of London on 3rd December 1975 at 11.30 a.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 10th day of November, 1975.
BY ORDER OF THE BOARD
I. McCLYMONT
Director.

No. 003760 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DAVID CAPSTICK ADVERTISING LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 13th day of November 1975, presented to the said Court by IPC BUSINESS PRESS LIMITED whose registered office is at 161/166 Fleet Street, London EC4P 4AA, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of December 1975, and any Creditor or Contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any Creditor or Contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NICHOLSON GRAHAM & JONES,
19/21 Moorgate,
London EC2R 6AU.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm, the name and address of the firm and must be signed by the person or firm or his or their Solicitor (if any) and must served or if posted must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 5th day of December 1975.

No. 003766 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of MIRGLEN LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of November, 1975, presented to the said Court by BAMBERGERS (EASTERN) LIMITED whose Registered Office is situate at: 547-551, London Road, Westcliff-on-Sea, Essex, Timber Importers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 8th day of December, 1975 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2-3, Hind Court,
Fleet Street,
London, EC4A 3DS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of December, 1975.

CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 9

PURPOSE: Supply of small vessels (atmospheric drum, miscellaneous and sulfuric acid storage tanks) for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On January 20, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 10

PURPOSE: Supply of rigid steel conduit for electrical cables for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On January 21, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $30.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKEE & CO.," Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERING: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

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2 lb side £5.40
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4 x 5 oz Smoked Trout £2.85
2 x 12 oz Smoked Mackerel ... £2.00
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CINEMAS—(Cont.)

ODEON, Leicester Square. 930 6111. BITE THE BULLET (A). Cont. progs. Wk. 2.00, 4.30, 7.50.

PLAZA 2, Regent St. 839 6494. Box Office open 11 a.m. to 7 p.m. (not Sun.). GONE WITH THE WIND (A) in 70mm. Progs. Sep. Perfs. Daily 2.15, 6.50. Late Show Sat. 11.15 p.m. All seats bookable.

PRINCE CHARLES, Leic. Sq. 437 8181. Second Great Year EMMANUELLE (X). Sep. perfs. daily (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats Bkble. Lic'd Bar.

RITZ, Leicester Sq. 437 1234. BUG (X). Progs. Daily 2.15, 4.25, 6.35, 8.45. Late Show, Fri. & Sat. 11.30 p.m.

SCENE 1, Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. and Sat. 11.45. Ken Russell's LISZTOMANIA (X). Progs. 12.30, 2.20, 4.45, 7.05, 8.25. Late Show Fri. and Sat. 11.45.

SCENE 2, Leicester Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. & Sat. 12.05. YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45. Late Show Fri. & Sat. 12.05.

SCENE 3, Leicester Sq. (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00, 5.20, 8.40. Late Show Fri. and Sat. 11.45. Seats Bookable—All Perfs.

SCENE 4, Leicester Sq. (Wardour St.) 439 4470. 2nd Year. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Daily 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30. Box Office Open Daily 10-8. Sun. 12-8. Seats Bookable—All Perfs.

WARNER WEST END Leicester Square. Tel: 439 0791.
1. Telly Savalas, James Mason, Robert Culp. INSIDE OUT (A) Sep. progs. Wk. 2.30, 5.30, 8.30.
2. A Ken Russell Film starring Roger Daltrey LISZTOMANIA (X) Cont. progs. 1.20, 3.40, 6.00, 8.25.
3. From Tomorrow PERMISSION TO KILL (AA).
4. FIVE FINGERS OF DEATH (X) Cont. progs. 2.40, 4.35, 6.30, 8.30.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. BRITISH PAINTINGS 1900-1975 including BERNARD DUNSTAN exhibition. Until 5 December Mon.-Fri. 9.30-5.30, Thurs until 7.0.

ANTHROPOS' GALLERY. Specialists in Ethnic Arts. 65-67, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-836 6182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed 10-8. Thurs., Sat. 10-12 midnight. Sunday 1-7. New Exhibition of SHONO SCULPTURES.

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. New Collection of FINE BRITISH & EUROPEAN PAINTINGS & Special Seasonal Clearance offer of Original Paintings from as little as £20. Delightful Presents.

REDFERN GALLERY. ROBERT YOUNG. New Paintings and Drawings. November 4-26. 20 Cork Street, London, W.1

ROYAL ACADEMY OF ARTS. Landscape masterpieces from Soviet museums. Until 30 November Wkdys. 10-6, Suns. 2-6. Adm. 50p (Mondays 30p) Students and pensioners half price.

WILDENSTEIN. FOUR PAINTERS OF 20th CENTURY GREECE: THEOPHILOS, KONTOGLOU, GHIKA, TSAROUCHIS. Weekdays: 10-5.30. Saturdays: 10-12.30 Until 5th December. Admission free. Catalogues sold in aid of the National Trust for Greece. 147, New Bond Street, W.1.

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Ryder confident NEB will profit taxpayers

BY ROY HODSON

LORD RYDER, who to-day becomes chairman of the National Enterprise Board which comes into being after the passing of the Industry Act, said in London yesterday that he had great confidence in the Board's profit-making potential to give the taxpayers a good return if it was given a chance to do its job properly.

Lord Ryder added that he would not have left a highly successful and profitable company in the private sector (Reed International) for his new job if he thought he was going to preside over a huge loss-making concern. He was speaking at a French Chamber of Commerce in Great Britain luncheon.

Potential

The NEB, he said, was a public corporation with its own Board which would have to make its own decisions and stand by the consequences. It would be a new source of finance for industrial development.

As such, it would supplement the existing sources of investment and would draw its customers primarily from manufacturing concerns with a good long-term potential but needing to start big programmes of modernisation and re-equipment. Most of the finance would be in the form of equity participation. But the NEB would also be able to make loans.

The Board would be able to act as a catalyst in helping to bring about rationalisation or restructuring of key sectors of industry—either by providing finance or by acting in an advisory capacity.

Lord Ryder explained that the NEB was a new kind of publicly-owned industrial enterprise to Britain whose function would be that of a holding company for a number of companies in which the Government had hitherto directly held shares.

The two most significant cases were Rolls-Royce (1971), which became 100 per cent. State-owned, and British Leyland, in which the Government had acquired a 95 per cent. stake. Other Government holdings varied in size. Some of them were quite small.

The NEB would make further purchases from time to time by investment financing and by the purchase of existing shares. The degree of control of all companies involved would depend upon the circumstances of the particular case.

Finally, the NEB would have the special function of providing assistance to companies in difficulty when specifically directed by the Government. That was not the main function of the Board, Lord Ryder stressed, and would only occur where the Government wished to use NEB management skills to reinforce the powers already available for assisting companies directly.

All funds provided by the NEB in that way would be reimbursed by the Government. And that activity would be separately accounted for and shown in the Board's annual report.

APPOINTMENTS

Brooke Bond group changes

Mr. L. G. Green will retire as deputy chairman of BROOKE BOND LIEBIG on January 1 on reaching the normal retirement age for executive directors. He will remain a non-executive director. Mr. M. S. K. Maunsell has been appointed non-executive vice-chairman from that date. Mr. A. E. V. Houchen, a non-executive director of Brooke Bond Liebig, will become chairman of Brooke Bond Oxo from the beginning of next year in succession to Mr. P. B. Sawdy, who will be the group managing director responsible for all Brooke Bond Liebig's trading operations in the U.K. Mr. J. M. Thomson will be the group managing director responsible for operations overseas. Mr. D. M. S. Baxter is to become chairman of the Liebig Meat Company in succession to Mr. Green.

★

Mr. W. J. C. Talbot has resigned from the Board of DEBENHAMS to devote the whole of his time to setting up a chain of bedding centres, in partnership with Debenhams.

★

Mr. Harry Bluedover has joined COUTINHO CARO as director of technical division. Previously he was with Biddle Sawyer.

★

Mr. John C. R. Downing has been appointed representative in Wales for CHARTERHOUSE JAPHET. Mr. Downing, formerly a stockbroker with Lyddon's of Cardiff, is a director of Beechwood Construction.

★

Mr. Clarke E. Reynolds is to become NCR vice-president, Europe, on December 1 in place of Mr. George Haynes, who will remain a senior vice-president and also a director of the British and parent U.S. companies until his retirement on April 30. Mr. Reynolds will continue as chairman and managing director of the British concern.

★

Mr. David Drew has been appointed a director of BOOSEY AND HAWKES MUSIC PUBLISHERS and not a director of the parent concern, BOOSEY AND HAWKES, as reported on Monday.

★

Col. George Brown is to become chairman of NEWCASTLE BREWERIES next January to succeed Mr. Henry Porter who is retiring from the Board of the parent concern, Scottish and Newcastle Breweries. Mr. R. N. D. Stephenson will succeed Col. Brown as managing director of Newcastle Breweries and Mr. Alastair Mowat will take over Mr. Stephenson's responsibilities as director, group managed houses.

INTERIM STATEMENT

Saker's

Directors: S. Borsook (British) (Chairman & Managing Director); K. Gross; K. J. Hipper (German); R. K. Kreher (German); E. S. Menell; J. Mincer; H. S. Morony; D. H. Shapiro; N. Werkaman

Saker's Finance and Investment Corporation Limited

Interim report

Your Directors have pleasure in announcing the estimated consolidated group profit for the six months ended 30 September, 1975.

Unaudited consolidated group profit

	Six months ended 30 September 1975	1974	% change	Year ended 31 March 1975
	R000	R000		R000
TURNOVER	65 310	48 960	+33,4	97 998
PROFIT BEFORE TAX	2 010	1 505	+33,6	3 315
Less: Taxation	854	637	+34,1	1 355
PROFIT AFTER TAX	1 156	868	+33,2	1 960
Less: Outside shareholders' interest and preference dividends	525	478	+ 9,8	865
	631	390	+61,8	1 095
Less: Pre-acquisition profits	—	—		105
	631	390	+61,8	990
NET ATTRIBUTABLE EARNINGS	103	98	+ 5,1	207
EARNINGS for ordinary shareholders	734	488	+50,4	1 197
Add: Non-recurring profits	71	—		—
	805	488	+65,0	1 197
Number of ordinary shares in issue	4 787 030	4 132 530	+15,8	4 787 030
PER ORDINARY SHARE:				
Earned (cents)	15,33*	11,81	+29,8	26,62
Paid (cents)	3,75	3,75	—	10,75

*Excluding non-recurring profits

Interim dividend

Your board has declared an unchanged interim dividend of 3,75 cents per ordinary share, on the increased share capital arising from the acquisition of additional shares in Cargo in February 1975.

Cargo Group – Saker's interest 65,17% (1974 – 52,17%)

The results of the Cargo group for the first six months of the current financial year show a satisfactory improvement over those for the corresponding period of the prior year. Aggressive marketing has improved turnover in all sectors, and the total number of new and used vehicles sold increased by 14.3%. There has also been a marked improvement in the contributions made by the expanded parts and service operations. Turnover for the period increased from R26 806 000 to R36 253 000 (35,2%) and earnings from R562 000 to R761 000 (35,4%). An unchanged interim dividend of 5.25 cents per share has been declared.

Lindsay Saker Group – Saker's interest 53,58% (1974 – 53,58%)

The Lindsay Saker group has materially improved the results for the corresponding period of last year. All sections of the group have contributed to the increased turnover, and the number of new and used vehicles sold has improved by 15,2%. Turnover for the period increased from R22 154 000 to R29 057 000 (31,2%), and earnings excluding a non-recurring profit of R27 000, from R281 000 to R389 000 (38,4%). An unchanged interim dividend of 3.00 cents per share has been declared.

Net attributable earnings

The Boumat group, in the light of conditions prevailing in the building industry, showed satisfactory results for the six months to 30 September, 1975, and maintained earnings per share at 28 cents on an increased issued ordinary share capital and after providing for materially increased preference dividends. The earnings attributable to the group, less losses on your Group's 50% investment in Commercial Centre (Proprietary) Limited, amounted to R103 000 (1974 – R98 000).

Outlook for remaining six months

Making a reliable forecast for the second half of the financial year is particularly onerous at this point in time, in the light of changing economic and market conditions. These changes are to be expected, following the devaluation of the Rand and the anti-inflation measures being pursued by the authorities. It is most unlikely that the results for the first six months will be repeated during the remaining six months. However, trading during October was maintained at a satisfactory level and in view of this and the results already achieved for the first six months, the earnings and dividends per share for the full year should be maintained.

Notice is hereby given:

1. that interim ordinary dividend no. 40 of 3,75 cents per share was declared on 10 November, 1975, by the Board of Directors in respect of the financial year ending 31 March, 1976, payable to shareholders registered at the close of business on 5 December, 1975. The share transfer register and register of members will be closed from 6 December, 1975 to 17 December, 1975, both days inclusive, and dividend warrants will be despatched on or about 14 January, 1976.
2. that preference dividend no. 79 of 5,5 cents per preference share was declared on 10 November, 1975, by the Board of Directors in respect of the six month period ending 30 November, 1975, payable to preference shareholders registered at the close of business on 28 November, 1975. The share transfer register and register of members will be closed from 29 November, 1975 to 12 December, 1975, both days inclusive, and dividend warrants will be despatched on or about 17 December, 1975.

These dividends are declared in the currency of the Republic of South Africa, and the date for determining the rate of exchange at which the currency of the Republic of South Africa will be converted into United Kingdom currency for payment of dividends from the London Transfer Office will be 14 January, 1976 in respect of ordinary dividends, and 17 December 1975 in respect of preference dividends.

In terms of the Republic of South Africa Income Tax Act of 1962, as amended, non-resident shareholders' tax of 15 per cent will be deducted from dividends payable to shareholders whose addresses are outside the Republic of South Africa.

S. Borsook
J. Mincer
Directors

By Order of the Board
Saker's Management Company (Proprietary) Limited
Secretaries
Per: W. J. Sharpe
10 November, 1975

Registered Office:
11th Floor
Cape Towers
Maclaren Street
Johannesburg

Transfer Secretaries:
South Africa:
Security Registrars (Proprietary) Limited
16th Floor
Richmond Place
Simmonds & Kerk Strs
Johannesburg

England:
MM & WM Services Limited
Granby House
95 Southwark Street
London SE1 OJA

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INTERIM STATEMENTS

CHARTER CONSOLIDATED LIMITED

HALF-YEARLY REPORT TO 30 SEPTEMBER 1975

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the half-year ended 30 September 1975

The following are the unaudited results of the company and its subsidiaries for the half-year to 30 September 1975, together with the comparative figures for the half-year to 30 September 1974, and for the year to 31 March 1975:

	Half-year ended 30.9.75 £000s	Half-year ended 30.9.74 £000s	Year ended 31.3.75 £000s
Income from investments			
Associated companies	1,768	962	4,145
Other investments	8,225	7,464	13,554
	9,993	8,426	17,699
Surplus on realisations of investments less amounts written off	2,042	1,265	2,124
Interest received	1,373	2,627	5,022
Trading profit	6,445	2,930	6,566
	19,853	15,248	31,411
Deduct:			
Administration and technical expenditure	1,627	868	1,497
Prospecting expenditure	489	1,118	2,163
Interest paid	3,054	2,503	5,780
	5,170	4,489	9,440
	14,683	10,759	21,971
Group share of retained profits less losses of associated companies	2,079	2,689	5,965
PROFIT BEFORE TAXATION	16,762	13,448	27,936
Taxation	5,952	4,828	9,869
PROFIT AFTER TAXATION	10,810	8,620	18,067
Deduct:			
Interest of outside shareholders in profits of subsidiaries	781	378	899
Pre-acquisition profits	223	—	(38)
	1,004	378	861
ATTRIBUTABLE TO CHARTER	9,806	8,242	17,206
Earnings per share	9.36p	7.87p	16.42p
Interim dividend of 2.5p per share (previous year's interim—2.25p)	2,620	2,358	

NOTES:
1. United Kingdom corporation tax has been provided at 52 per cent for the half-year ended 30 September 1975.
2. Following normal procedure, extraordinary items are not included in this interim report. These will be taken into the accounts for the full year ending 31 March 1976.
3. The increase in trading profit for the half-year reflects the substantially higher earnings of Cape Industries.

INTERIM DIVIDEND. The board of directors had today resolved to pay on 2 January 1976 an interim dividend of 2.5p per share, in respect of the year ending 31 March 1976 (1975—2.25p), to shareholders registered in the books of the company at the close of business on 5 December 1975 and to persons presenting coupon number 21 detached from share warrants to bearer.

Full particulars relating to the payment of this dividend will be published in the press on 19 November 1975. A separate notice to the holders of share warrants to bearer will be published at a later date giving further details regarding payment of coupons.

SHARE AND LOAN CAPITAL. In September 1975 the company issued 570 fully paid shares of 25p each against conversion of £2,371 5 per cent convertible unsecured loan stock 1984. The company's issued capital was thereby increased to £26,201,510.25 in 104,792,931 fully paid shares of 25p each and 326,500 partly paid shares of 25p each (1p paid up).

The amount of loan stock outstanding is now £2,357,266.

DIRECTORATE. Mr. M. W. Stephenson has resigned as a director of the company from 31 December 1975 to become technical director of Nchanga Consolidated Copper Mines Limited in Zambia. Mr. H. J. Stucke, a consulting engineer of the company, has been appointed director responsible for technical services from 1 January 1976.

By order of the Board
D. S. BOOTH
Secretary

18 November 1975

INTERIM DIVIDEND FOR YEAR TO 31 MARCH 1976

The board of directors announces that it has today resolved to pay on 2 January 1976 an interim dividend of 2.5p per share in respect of the year ending 31 March 1976, (1975—2.25p), to shareholders registered in the books of the company at the close of business on 5 December 1975 and to persons presenting coupon number 21 detached from share warrants to bearer.

This dividend will carry a tax credit representing thirty-five sixty-fifths of the dividend, the amount for which the company will be accountable in respect of advance corporation tax. The total of the dividend and tax credit is 3.84615p, compared with 3.35321p for the previous year.

The transfer books and registers of members in the United Kingdom, the Republic of South Africa, and Rhodesia will be closed from 8 December to 13 December 1975, both days inclusive, and dividend warrants will be posted on or about 31 December 1975.

A notice to holders of share warrants to bearer will be published in the press at a later date giving further details regarding payment of coupons.

By order of the Board
CHARTER CONSOLIDATED LIMITED
D. S. BOOTH
Secretary

Registered Office:
40 Holborn Viaduct, London EC1P 1AJ.

Registrars:
Charter Consolidated Services Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford,
Kent TN24 8EQ.

Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001,
South Africa.

18 November 1975

CALEDONIA INVESTMENTS LIMITED

The Board of Caledonia Investments Limited has declared an Interim Ordinary Dividend of 2.852p per stock unit (gross equivalent 17.551%) in respect of the year ending 31st March 1976 (1975—2.297p—gross equivalent 13.713%). This increase in the gross percentage namely 3.838, is the maximum permitted under the present regulations representing in itself an increase of 10% in gross terms on total dividends paid in respect of the year ended 31st March 1975. Thus no increase is envisaged in the rate of final dividend payable in respect of the current year (1975—4.01p—gross equivalent 24.677%).

The dividend will be payable on 12th January 1976 to stockholders registered at the close of business on the 12th December 1975.

A statement with explanatory notes is given below showing the estimated group profit to the six months to 30th September 1975 with comparative figures for the corresponding period of the previous year and the actual figures for the year to 31st March 1975.

It is considered that the profit of the group for the year attributable to ordinary stockholders, assuming no worsening of conditions in relation to trading subsidiaries, will be about 10% higher than those for the previous year.

ESTIMATED UNAUDITED GROUP PROFIT STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 1975

	NOTES	Six months to 30.9.75 £'000	Six months to 30.9.74 £'000	Year to 31.3.75 £'000
GROUP TURNOVER		1,974	1,484	3,892
GROUP PROFIT				
Franked Income		1,154	1,165	2,010
Unfranked Dividends and Interest		211	111	320
Trading Profits		137	117	298
Less: Depreciation		36	46	71
		101	71	227
		1,466	1,347	2,557
Interest Paid		108	107	227
Head Office Administration Expenses		26	24	48
		134	131	275
PROFIT BEFORE TAXATION		1,332	1,216	2,282
Taxation:				
Imputed tax credits on U.K. dividends received		403	384	663
Other taxation	2	134	34	150
		537	418	813
		795	798	1,469
Minority Interests		(8)	(12)	12
		803	810	1,457
Preference Dividends	1	24	26	52
PROFIT AVAILABLE FOR ORDINARY DIVIDENDS		779	784	1,405
Earnings per Stock Unit of 25p	3	4.43p	4.45p	7.98p

NOTES
1. In accordance with a recent High Court decision, the Preference Dividends, payable for the half-year to 30th September, 1975, took account of an 'imputed' tax credit of 35 per cent.
2. The higher charge for taxation (other than tax imputed to dividends received) in respect of the half-year ended 30th September, 1975 is attributable mainly to unrelieved losses in overseas trading subsidiaries and an increase in unfranked income.
3. Earnings per Ordinary Stock Unit are based on 17,600,000 Stock Units in issue throughout the year ended 31st March, 1975 and the half-years to 30th September, 1974 and 1975.

The Executive's World

EDITED BY JAMES ENSOR

Lord Ryder explains to James Ensor how he sees the National Enterprise Board in a wide role.

A catalyst for improving British management

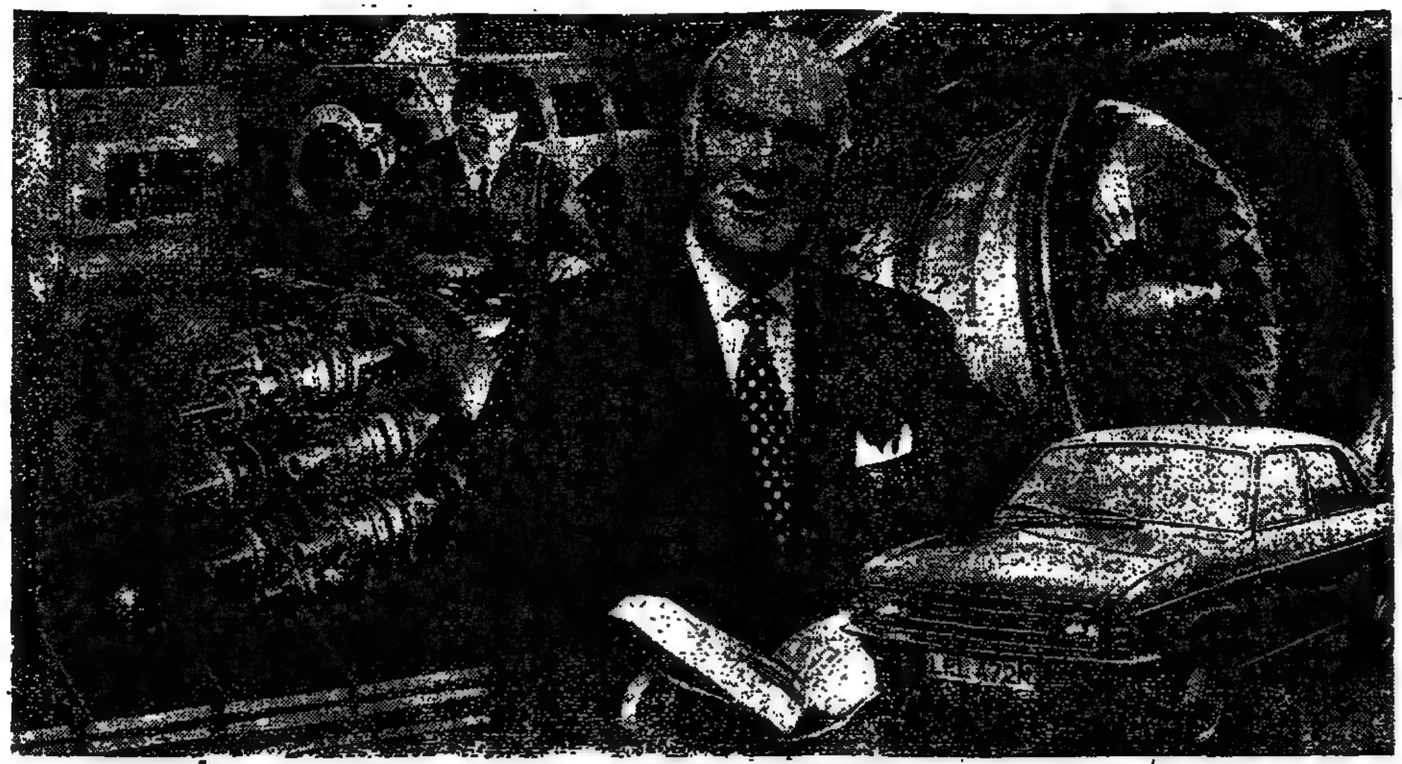
ER ALMOST a year in), the National Enterprise d came into being this . Much work, of course, already been done, notably restructuring of British and and Ferranti and the le of Alfred Herbert. Lord r and his small team — when the Board is at full gth in a couple of years' it should not number more 150 — have already demoned the style in which they work. Nevertheless, the *as an organisation will be* ed as from this week, and it early starting from a rather base in profitability terms. The existing portfolio which have taken over on vesting is quite clearly in a losing situation, if you add all up," says Lord Ryder. t as from D-Day, you will the trend of all those comes improving: British and's loss of last year will, pe, be the largest it ever unces." He adds, making it that the NEB will not me a hospital for lame s "We wouldn't take them I weren't convinced that can be made viable."

ofitable

om now on, the NEB will at least as concerned in g as what Lord Ryder calls atalyst for *profitable* inry as it is with saving losers. "What we go out to do is the taking over of or the icipation in companies that in the profitable sector, but be more profitable and cerly can expand." He instan- "my anxiety over these vast seas contracts, which have got so many noughts that one company in this country prepared to do the 'joint and several' agreement: and yet at the same time we are faced with the point that in many of these countries, particularly in the Middle East, they are not prepared to give the contract to other than one lead contractor." He adds that he cannot see companies even of the stature of GEC, RTZ or GKN being prepared to take on some of these huge contracts so that the NEB may be able to play a fundamental role.

He continues that "The NEB *should in so many areas be the* catalyst. It has the opportunity to sit around a table with an industry and say 'We realise *that the state of the industry* is bad; we realise that it would be foolish if we all rushed out and bought greenfield sites'." He instances the *foundry industry* as one of the first cases "What is needed is four really good, modern foundries, equal to the best of Germany and America. Now if we reach agreement that four are needed and there are nine of us sitting round the table, it shouldn't be beyond the wit of man to work out a system of joint ventures or relationships whereby X and Y agree to build one and the NEB plus another agree to build one.

Lord Ryder sees the role of the NEB as something akin to that of MITI in Japan or IRI in Italy, as a *force* for economic development in a much wider area than the relatively limited field of its own current investment portfolio. "In the case of acute managerial problems, where we spot that a company is clearly going down hill—but it may be four years' time before the headline news comes out that the Receiver is called in or the Government has to rescue it—we can anticipate things. It doesn't take miracle men to do it. After all, everyone *in the City knew about British* Leyland: everybody knows about most of the companies that are heading for trouble. If we have just a small shareholding, providing that we have got people of the right calibre working on it who can produce the evidence, then I'm sure we can sit down with the Pearl and the Pru and the other institutions, and providing that we can convince them that we have got our facts right, then we can act together. I have had every encouragement to believe that they would be very happy to co-operate."



Lord Ryder with the products of some of the NEB's major subsidiaries, Alfred Herbert, Rolls-Royce (1971) and British Leyland.

"Most industrial problems," he argues, "can be seen for years ahead. Everybody has watched the plight of Alfred Herbert, from the days when it was pre-eminent in the world. Everybody could have foreseen the way we were going in our motor-cycle industry—you only had to watch the way they were pushed out of market after market."

In a country such as Britain, which lacks both the strong tradition of bank intervention in industry of Germany and Japan or the American concept *of real shareholder power, there* is no body which can step in to correct these situations whilst *there is still* time to save them. This, Lord Ryder feels, is one valuable role for the NEB.

He is adamant, however, that good money should not be thrown after bad in a vain attempt to save hopeless cases. "We do two things," he says, "if we pour money down bottomless pits. We not only *waste that money, but we can't* give that same money to the cases where there is a viable industry at the end. So we commit two crimes."

The real role of the NEB, perhaps, is not with money at all but with management. "Everyone," he says, "automatically talks of money, but *first and foremost our problem* is managerial. This is where so much has to be done. Why are our best companies as good as any in the world, but unfortunately, so many others are not as good as our best companies? There is only one answer and it's managerial."

He analyses the reasons for *this, at least partly, in terms* of the pace of industrial change over the past decade. "A lot of our very senior managers, however able they've been, won't change their spots. They were very successful people in the days when you pressed buttons and you gave orders. But we don't live in a world of pressing buttons and giving orders any more. You've got to get not only the executives round you, but you've got to get the workforce at the end of the day.

"I believe our hope lies in the promotion of the good younger managers, particularly this 35 to 45 year old band. We've got to accelerate their promotion." He explains "the whole emphasis in British Leyland is that you've got these young tigers as operating directors, you've got the non-executive directors, men of great strength and great ability, but to put in on the input side their wisdom and experience but not to be coal-face operators."

Lacking

The non-executive director, in *his view, has not always* performed the role in British capitalism that is expected of him in the business textbooks. In too many recent instances, the directors have lacked either the information or the power to act to prevent things happening which were not in either the shrareholders or workers' interests. Clearly the NEB under Lord Ryder will bring its influence to bear in situations where non-executive directors ought to act.

Within its own operations, the NEB will act through vetting the business plans, submitted by companies or divisions of companies. "These" says Lord Ryder "will be the *essential benchmarks, and if* they say that they are going to have a new paint plant in February and a new model in July, when we get their monthly reports they had better be there, or have a very good reason why they are not."

The NEB will not become involved in the day-to-day running of any of the companies such as Rolls-Royce 1971 or British Leyland which form the bulk of its portfolio. "I do not want," says Lord Ryder, "a team of experts crawling all over a company and preventing the managers from getting on with their job. "Rather the NEB will perform in the way that the Board of a multinational company acts with its British subsidiaries, analysing and checking and occasionally altering."

Clearly nobody working for the NEB companies is going to be guaranteed a sinecure for life. Lord Ryder is emphatic that continued failure to meet objectives will have to result in dismissal. "We will have to see that our management people's salaries are right and with those salaries, they will have to accept that they have got to perform. We don't do these subterfuge efforts of putting shoring-up operations in and giving sideways moves. You have got to take it much more as they take management in the States."

This, perhaps, is the real reason why Lord Ryder believes emphatically that there is a need for something like the NEB or the IRC in Britain. The job cannot be done adequately either by non-executive directors with the powers they have under company law, or by government departments. "Whether we like it or not the Government of the day owns a large portfolio of companies. How can anyone think it sensible that these companies reside in a government department? Surely it would be far better for them to become the responsibility of an independent entity headed up by people with experience in business trades unions and the like?"

JSINESS PROBLEMS — BY OUR LEGAL STAFF

lalaysia and double tax

ld you please explain how ıpanies are taxed in Malaysia? ıt not the case that there is ıe sort of double tax relief in nections with dividends eived by U.K. residents?

Ve are sorry to say that you not obtain credit for the laysian tax on your plantation ıdends against your U.K. tax ility. The net amount of h dividend (after deduction Malaysian tax) will be fully rgeable to U.K. income-tax cluding higher rate tax, if licable) and investment ome surcharge.

The system of company taxa- ı in Malaysia is somewhat like one which operated in the . before 1965: broadly speak- , the company pays 40 per t. income-tax on its profits, l passes the burden on to its reholders when paying a idend, by deducting 40 per ıt. tax and retaining it (as tinct from paying it over to Malaysian tax authorities). ticle XXI(3)(b) of the 1973 ible taxation agreement with laysia prevents a U.K. ident indivdual shareholder m obtaining credit against his K. tax liability for the laysian tax deducted from his dividends (except in so far as it may be "additional to any tax payable by the company on the profits out of which the dividend is paid and is ultimately borne by the recipient without reference to any tax so payable"). The previous double taxation agreement (which was terminated with effect from April 6, 1970) contained substantially similar provisions with effect from April 6, 1966, and section 498(3)(c)(i) of the Taxes Act prohibited the allowance of tax credit in the period between the two agreements.

Lessees breach of covenant

The Water Board are threatening to cut off water supplies to a house I own which is divided into flats, because some of the occupants have not paid their water rates. *If I refuse to pay* myself, can the Board do this?

There appears to be no hindrance to the Water Board's carrying out its threat. So long as the water rates are unpaid the supply may be cut off. Only the provision of separate service supplies to each flat would overcome this difficulty, and the cost of installing separate mains supplies would presumably be more than you would be prepared to lay out. If the separate flats are let you must seek your remedy against the lessees for breach of the covenants in the leases.

VAT and profit calculations

In the preparation of a profits and loss account for a retail business no allowance has been made for VAT payments; I have been informed that the trading profit and loss account excludes all input tax and although I have submitted the following simple model the accountant still dissents from my observations.

Conditions ex tax:

Turnover	£1000 units
Invoice Totals (goods) ...	800 units
Gross profit	200 units

Condition cum VAT:

Turnover	£1080 units
Goods bought ...	808 units
Gross profit	272 units

Now since £64 units are paid to the Inland Revenue plus £8 units to suppliers the real profit still remains £1,000 and tax must be paid on this sum and not upon the VAT total: What is your view?

Provided that the whole of your input VAT is deductible (as your example implies) then, when one comes to calculate your trading profit, the simplest method may be to disregard the VAT element in both invoices issued and invoices received.

Your example may be looked at this way:

	VAT inclusive	VAT a/c	VAT exclusive
Sales (output)	1,080	80	1,000
Purchases (input)	808	8	800
	272	—	
Due to Customs and Excise	72	72	
Trading profit	200		200

Unprotected tenancies

Referring to your reply of May 14 last headed An Unprotected Tenancy, is it not correct to say that all tenancies are now at least regulated? What is the definition of a "long" tenancy?

It is not correct that all tenancies are now regulated. Therefore it remains important to ascertain whether a tenancy is a controlled tenancy or is a tenancy at a low rent which is not controlled (and is thus not protected). A long tenancy is defined by Section 3 of the Leasehold Reform Act 1967 as a term certainly granted for a period exceeding 21 years. It will be seen that a lease for, say, ten years certain granted in 1966 at a rent of less than ⅔ rateable value (as at March 23, 1965) would be a tenancy which is not protected by virtue of Section 2(1)(a) of the 1968 Act.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, NOVEMBER 19, 1975

Doctors on the warpath

THE DECISION taken by the so-called junior hospital doctors to begin taking industrial action in ten days' time unless the Government comes up with a better overtime pay offer is connected only indirectly with the other troubles of the National Health Service. One may argue that until Monday, when a complete change in the executive of the Hospital Junior Staffs Committee was pushed through, a large number of junior doctors believed that their interests were being inadequately served by the British Medical Association. One may hold that if the consultants had not shown their readiness to take industrial action—action which may well be resumed when the contents of to-day's list of proposed legislation is known — their juniors would have been less likely to do the same. But the only undeniable connection between the two cases is that both are partly due to the poor financial state of the NHS.

When Mrs. Castle declares that the future of the NHS will be weakened still further if the Government's policy of voluntary pay restraint collapses, she is on much stronger ground than in most of her other dealings with the medical profession. For what the junior doctors are seeking, at least in her view, is a pay increase which breaks the rules of the present pay policy, and success on their part would only encourage more traditionally militant trade unions to follow their example.

New contract

That junior doctors are required to work extremely long hours for relatively low pay is an unquestionable and unquestioned fact. Before the present phase of incomes policy began, their terms of service were renegotiated to give them a basic working week of 44 hours and overtime payment for hours worked in addition. But their next increase in pay—which under the policy of voluntary restraint must come not less than 12 months after the last—is not due until April, and the total amount of money payable as overtime is therefore limited: even in April, moreover, the £6 ceiling will be applicable. There is, in fact, some disagreement among the junior doctors whether to accept this form of contract (which would considerably increase their total income in a free bargaining situation) or to accept that overtime working is an intrinsic part of their job and press instead for a sharp increase in basic salary.

But that is a dispute for the long term. The immediate question is whether the industrial action now planned will make any difference to the Government's attitude. The idea is to work only 40 hours a week—though the hours worked by different doctors would be staggered to reduce the hardship that hospital patients will undoubtedly undergo — and follows a ballot in which almost precisely half the number of doctors replying voted in favour of taking sustained industrial action.

However angry the mood of the junior hospital doctors, there is no sign that the Government has any intention of giving way, although Mrs. Castle and Mr. Michael Foot will meet the doctors again on Thursday to clarify the Government's attitude. Detailed disputes about the amount of money immediately available for distribution as overtime payments are no longer relevant. Mrs. Castle has made publicly and repeatedly clear her belief that she has already gone as far to meet the doctors as the terms of the pay policy allow: any further concession, therefore, would be widely regarded as a breach of the policy when it is still only a few months old and would invite other unions to follow along the same path.

It is regrettable, no doubt, that the notoriously overworked junior hospital doctors should have been caught up once again in official pay restrictions, especially when some other groups of public sector workers are widely regarded as having done very nicely for themselves. But the Government has no choice but to stand firm until some increase can be paid in April and more flexible pay arrangements are introduced next summer. Just because of the nature of their work and the consequences of a rigid work-to-rule, moreover, it seems likely that the junior doctors—who obviously have mixed feelings in any case about the wisdom of the action recommended—will interpret that recommendation according to the circumstances in which they find themselves as individuals.

The interests of Africa

DR. HILGARD MULLER, the South African Foreign Minister, put his foot in it several times when he addressed the Royal Institute of International Affairs in London yesterday. His statement, for example, that there are no political prisoners in South Africa was greeted with unbelieving laughter. Nor was it easy for a British audience to accept that there can be no reporting in the South African Press of military movements in Angola on the ground that "it would only encourage speculation." None of these faux pas, however, should detract from the basic seriousness of his message.

Cards to play

Dr. Muller spoke about détente. Much ofr what he said was not new, but he said it well and it was the more striking that he should have repeated it at a time when the attempts to find a settlement in Rhodesia are going badly and the situation in Angola is threatening to go the way of the Congo in the early 1960s. A further deterioration in either or both of these places could lead to large parts of southern and central Africa being engulfed in war.

The South African thesis—developed over several years, but with a new urgency since the overthrow of the dictatorship in Portugal—is that the price of such confrontation would be high, "too high for Southern Africa to pay: therefore Africa should choose the way to peace, the way of normalising relations." The language is quite deliberately drawn from Europe and the development of U.S.-Soviet relations. Even if the European example leaves something to be desired, it is the same basic choice of seeking to avoid an unbearable conflict by diplomacy.

The results in Southern Africa so far have not been negligible, even if there have inevitably been some setbacks along the way. It was almost unthinkable a year ago that black African Presidents — Mr. Kaunda of Zambia and Mr. Nyerere of Tanzania — could join the South African Prime Minister, Mr. Vorster, in the search for a Rhodesian settlement. They have failed so far because of the intransigence of Mr. Smith and his supporters and the inability of the Rhodesian Africans to unite, but it is important to realise that they still have cards to play. South Africa could almost destroy Rhodesia economically. Equally the neighbouring black African Governments have considerable powers to deny resources to Rhodesian guerillas. These powers too may have to be used and it will be interesting to hear President Nyerere's thoughts on the subject during his State visit to London this week.

The case of Angola is somewhat different in that it has all the ingredients of a proxy war. Among outside powers, the Russians are supplying one side and the Americans and Chinese the other. It needs to be dealt with on two levels—between Washington and Moscow, and between the Africans themselves. The super-powers are on the verge of a new competition which may escalate and can only harm their relations in other areas. If they can agree to limit their involvement, it should be easier for the Africans to find their own solution. As for the Government of South Africa, Angola is a test for its proclaimed policy of non-intervention. Of course, the South Africans have a major interest in what happens there and perhaps a diplomatic opportunity to join with other African states in seeking a settlement. But any overt interference will place a large question mark over the credibility of the call for détente.

John Elliott weighs up yesterday's landslide election results from Britain's second largest union

The engineering really needed inside the AUEW

THE Right-wing landslide which swept the Amalgamated Union of Engineering Workers with yesterday's election results will have lasting effects on the conduct of Labour Party and TUC national politics, effectively ending the Left-wing's trade union dominance of the past eight years. But these potentially clear cut effects will not be mirrored within the engineering industry, or in the union itself, where neither Right nor the Left wingers have proved themselves able in the past decade or so to come to grips with its problems.

Dedicated campaigners against the Left-wing may indeed be surprised that the disappearance from the union's leadership of Mr. Bob Wright, a close colleague of Mr. Hugh Scanlon and his one-time heir apparent, will not be universally cheered by employers with whom he has dealt. He will also be missed by other union leaders.

So, while his disappearance and the other Right-wing victories spell the end of Mr. Scanlon's dominance of the union and seem to condemn him to be on the losing side till he retires in three years time, they do not necessarily do anything for the competence of the union at national level. The elections were confined to the dominant engineering section of the AUEW, and it is the new composition of its national executive which is of most importance. With one or two notable exceptions, Mr. Wright's colleagues on this executive committee do not match his soundness and ability: some of them frequently amaze the employers and MPs with whom they deal and have sometimes been regarded as an embarrassment by their counterparts in other unions.

Mr. Wright's downfall is as much a result of Mr. Scanlon's failure to come to grips with the union's problems as it is of a major swing in national political attitudes. For eight years, Mr. Scanlon has presided over a union and a national executive which has constantly adopted negative policies and which has spent so much time in the union's traditional internal political infighting that it has never got round to developing a positive strategy for itself or for its industry.

On past experience there is no reason to be confident that the Right-wing will be any more capable of solving these problems although Mr. John Boyd, the union's new Right-wing general secretary has attacked some of them. The problems hinge on the fact that the Engineers is basically an old, craft-based trade union illogically organised with a preponderance of cumbersome democratic procedures which generally restrict efficiency. Its internal splits have prevented it cementing the merger of its 1.2m. strong engineering section with the smaller foundry workers, the constructional engineers and TASS (the former draughtsmen's union), which together have made the AUEW an unhappy and ineffective federation for the past few years. The future of this merger, opposed by Mr. Boyd, must now be in doubt.

At the same time the Engineers' structure has scared off several other unions which, logically, it should have taken over in recent years. Its most serious failure in this area was to lose the 82,000-member National Union of Vehicle Builders to the Transport and General Workers' Union whose looser structure and more pragmatic approach—coupled with the freedom and willingness of Mr. Jack Jones to dominate events—enabled it to catch a valuable prize.

The structure problems of the Engineers stem from its "democratic" base—150 district committees scattered around the country, each dominating policies for local factories, frequently to the frustration of employers and some shop stewards who find their companies' affairs determined by a group with little apparent real experience or interest in their future. On top of these committees are 26 divisional committees, while at national level there is the seven-man national executive. This meets in bitter and frequently ineffectual session at the union's Peckham headquarters in South London every Tuesday. Supreme power is wielded by the union's annual 52-man national committee meeting which has a slight Right-wing majority but which, like so much else in the union, spends more time on infighting than on positive policies.

These warring factions and varying levels of closely guarded power have helped the Engineers into the problems it now faces. It has suffered several years of decline as a financially viable organisation, as an effective voice in its own industries, and as a force to be reckoned with in the national political scene except in a negative sense. Founded as the Amalgamated Society of Engineers in 1851 it has a proud craft tradition, firmly based on hourly paid manual work, which has prevented it from grasping the potential of new technologies to spread its wings. The result is that Mr. Clive Jenkins' ASTMS—plus TASS to a lesser extent—has established itself as the engineering industry's technological union: the Engineers has lost its identity, forced to recruit less than fully-skilled workers who have diluted its craft heritage without founding new traditions. Thus it has lost out to the TGWU which has no craft inhibitions and has forged ahead to its present membership of nearly 1.9m. and which, under the firm central leadership of Mr. Jones, has consolidated its finances so it now has total funds of over £22m.

In contrast, during Mr. Scanlon's tenure, the engineers' funds have slipped from £18m. to about £7m., partly as the result of a new national office building programme which cost £5m. (but to-day would probably be valued at around £12m.). Another factor contributing to the union's dwindling funds was the £2.5m. paid in benefit for a largely abortive local pay strike campaign in 1972.

Another problem is that the Engineers hand out large sums in benefit from a members' superannuation fund which commits it to expenditure of about £1.3m. a year and which helped boost its total benefits to members in 1974 to £3.3m. This figure includes £1.1m. strike money, thanks to the power of district and divisional committees virtually to tie the national executive to backing chosen disputes. The £3.3m. compares with £2.6m. in the much larger TGWU, which paid out only £320,000 in strike money in 1974.

But the inefficiencies of the Engineers are best demonstrated by the fact that until recently it had £450,000 of local branches' money earning little or no interest and that it has 198,000 members in arrears for periods of more than 26 weeks, with the sums owed totalling £2.5m.

When, in March, at the start of the Right-wing swing which was cemented yesterday, Mr. Boyd was elected the union's general secretary, he pledged himself to sort the finances cut within two years. Already he has switched the £450,000 to the Midland Bank to help pay off an £850,000 overdraft and has also amazed his colleagues with various reforms such as cutting postage bills by restricting letters to branches to one package a week, by stopping formal acknowledgement of letters, and by cutting the print order for the union's 130,000-circulation monthly journal by 80,000.

A rules revision conference being held by the union next month will be asked to stop the payment of all benefits to members for the first week of any strike, sickness or whatever, at a potential saving of £750,000 a year. The union's national executive is studying, too, its first report on the financial position—including the low rental charges—of its £5m. network of new offices. Mr. Boyd is also championing his favourite cause, postal ballots as opposed to voting at branch meetings, by claiming that they are cheaper to run per head. He claims that voting at branches, where there is normally a turnout of less than 10 per cent., costs nearly 12p per vote but that postal balloting—which averaged returns of 30 to 35 per cent. yesterday—involves spending only 7.5p per vote.

Obviously, postal votes are dearer in absolute terms because of the higher turnout. But that does not worry Mr. Boyd or the other Right-wingers, whose re-emergence as a powerful force stems partly from the introduction of postal balloting over the past three years.

Postal balloting helps to encourage union members to vote — especially those who do not normally take an active part in a union's affairs at branch and other meetings and so do not turn up for branch-based voting. By the nature of things, such non-activists are normally not Left-wingers. As a result the Left argues that postal balloting does not encourage proper participation in union affairs because it makes branch meettings even less well attended.

But while the postal method may produce a large return, it is the whole system of balloting pervading the Engineers which helps to make it an inefficient organisation. Every one of the union's 200 officials is elec- every three or five years. T may look like good represe tive democracy and is in with proposals being floated the Conservative Party. But net result is that each of officials spends two-thirds of life looking over his shoulde his next election.

Not only are officials th fore guarding their futures they are also hamstrung by excessive accountability t have within the commi structure. In addition, t cannot be trained in adva for promotion, as happens both the TGWU and General and Municipal Wor Union.

Mr. Scanlon was pledged underpin the union's struct and the supremacy of national committee when was elected to succeed staunch Right-wing L Carron, who made his name operating "Carron's law" that the Engineers always ported the Labour Party. Scanlon was pledged to res the supreme power of Engineers' national commit Ever since then Mr. Scanlon been hamstrung by the t lack of freedom to manoeu which this has given him. W Mr. Jack Jones and other un leaders have launched co less initiatives for their uni Mr. Scanlon can claim only victory—the defeat of the C servatives' Industrial Relat Act. This is a victory wi guarantees him a place Labour history because, with his rigid opposition, it extremely doubtful whether TUC could have kept up eno pressure on Labour politic for them to repeal the Act

This victory, however, has been followed up with further successes and Mr. Sc lon is now losing popula with the Left because he is sufficiently prepared to pus hard Left-wing line. At same time, those on the Ri while welcoming his increa reticence, condemn him still being what they regar a prisoner of his Left-w backers. It is in this situa that the Engineers has not sued a strong policy line recent years and has dimini in stature in national politi well as at an industrial le The first result of yesterd election results—in which swing to the Right for posts underlined the sig cance of the change at nati level—will therefore be the velopment of a strong Ri wing anti-Communist especially from Mr. Boyd. runs the union's journal. Mr. Scanlon — who is chairman of the Enginee Industry Training Boa deals with this remains to seen. In the meantime, howe the Right-wingers who celebrating last night hav tougher task ahead than me swinging national votes if are to solve the Engineers' ternal problems.

Terry Kirk

Conversation-piece at this year's TUC conference between three of the AUEW's leading Left-wingers: Mr. Ken Gill (left), the Communist general secretary of TASS, the Engineers' white-collar section, with Mr. Hugh Scanlon, president of the AUEW (centre), and Mr. Jimmy Reid (right), the Communist whose defeat in the national executive election was announced yesterday.

MEN AND MATTERS

Hyams makes some changes

The annual meeting of Oldham Estate, when Harry Hyams either literally or figuratively masks himself against the odd probing shareholder, has before been held in the late afternoon of the last day of the year. This time, in perhaps the first obvious sign of the Co-operative Insurance Society's new majority holding, the meeting has been bought forward: 3.30 p.m. at St. Ermin's Hotel on Friday, December 12, is the time.

What is certain is that a new accounting period for the property group is the Co-op's doing. In future the year end will be in September instead of March, allowing the Co-op to consolidate the results quicker. But elsewhere in the accounts the presence of three new Co-op men on the five-man Board has not altered the spare style.

This spring's revaluation of the properties up to £280m., made as part of the Co-op having to go through the motions of an offer for the small shareholders, has been brought into the accounts. But not the surplus of another £20.4m. relating to "developments not completed or not substantially let"—some Greek shippers still sit in splendid isolation in Centre Point.

Three other points shareholders might consider: even Oldham, with its famous source of 6½ per cent. Co-op funding, has increased its bank loans and overdrafts from under £8m. to £14.3m., with these short-term interest charges rising from under £1m. to over £1.5m. Against this, Hyams appears to have found another unusual long-term funding, thus time abroad: £1.6m. of mortgage loans relate to European borrowings, repayable by instalments up to the year 2025 (that's even longer than the Co-op mortgages) at rates between 6¾ and 7½ per cent. Oldham's loss last year, incidentally, was £½m.

Whether anyone asking for more details on the 12th will gain illumination depends on what role the Co-op men adopt. Last year Hyams had about him two Wimpey men, plus Ronald Cheetham and Brian Swallow, both of whom had worked at the Church Terrace, Oldham office before Hyams ever approached it, and Colin Hunt, the ex-Taylor Woodrow recruit to the management team who lasted there less than two years.

McCall's clerical questioner

There was a rather different character to the annual meeting held in the vaguely cathedral-like air of the Chartered Insurance Institute in the City yesterday: Monsignor Bruce Kent, of the Roman Catholic Westminster diocese, embarked on a quest for ethical information from Donald McCall, the 64-year-old chairman of Consolidated Gold Fields.

Gold Fields, which derived 64 per cent. of its total revenue from South Africa in the year to last June, is with associates the biggest British-based employer of black labour there. Kent fired off four points. He wanted a statement of principle on the undesirability of the migrant labour scheme; asked about plans for increased wages and trade union representation; and wondered whether McCall would meet church leaders to discuss moral issues.

McCall's response was that his company had never said it favoured the migrant scheme (65 per cent. of 350,000 black miners come from outside South Africa); wage levels were decided by the Chamber of Mines; the present network of liaison committees probably served the blacks better than unions; and he was always ready to meet churchmen.

As evidence of the last point, 64-year-old McCall, who started his career before the war with a six-year stint as a mine official in South Africa, pointed out he had recently spent two days at a church seminar discussing the ethics of investment.

"These are serious questions," he added, "and I endeavour to give a serious answer." That did not mollify Kent, however. "I thought he side-stepped every one of the questions," the priest declared as the meeting closed —and as one other shareholder bristled up to berate him for not responding gracefully to McCall's remarks.

"I see Mr. Riccardo's here again!"

Kent said later he first awoke to the issue of Gold Fields last April when he read an "anti-report" prepared on the company by Counter Information Services. That disclosed that the fund administered by the Westminster Catholic Diocesan trustees had investments worth £30,000 in the group. The intriguing part of Kent's campaign is the role played by the late Cardinal Heenan. Kent said he approached the archbishop who asked him in a letter written a week before the archbishop's last illness to attend the annual meeting.

Unlike the Church of England, the Roman Catholic church is extremely localised in its financing, none of the Vatican's much debated wealth (its investment portfolio is probably valued around £50m. at present) being of benefit here. Most of the British church's earnings come from collections and parish-organised events. The Westminster fund is an aggregate of 200 separate trusts representing bequests for specific purposes, mostly to help the poor and students.

Its value is "well under £1m.," according to the diocese's lay financial secretary, George Marriott. Kent, eight years a chaplain at London University and for a period Heenan's secretary, spends most of his time now with Pax Christi, an "education for peace" programme. He is critical of the church's general secrecy in its money affairs, though the tendency towards reticence is changing. Marriott disclosed that it is intended soon to publish the accounts, and "heavily in debt" they would show the church to be.

Stocks 'stead of rocks

I don't know whether this should be regarded as adding to Consolidated Gold Fields' problems or not. Diamonds are no longer a girl's best friend, judging by the seasonal message from Tiffany and Co., New York's plush jewellery store. Instead of pushing gems, the store's burst of Christmas advertising recommends its own Common shares. With gift-wrapped certificates, naturally.

Observer

FINANCIAL TIMES SURVEY
Wednesday, November 19 1975

SCOTLAND

Political debate in Scotland, and on the direction of Scottish affairs, centres round the forthcoming proposal for a Scottish Assembly with a measure of local autonomy. Economic prospects, despite the hoped-for benefits from North Sea oil, are not the most encouraging.

Key decisions ahead

By Christopher Baur, Scottish Correspondent

E REMARKABLY unpre- ble social tides have been ng through Scotland in ot years. To-day the least mable relationship of all, aps, is between the azard ebbs of Scotland's omic performance and the jc flows of its political viour. It is becoming more ult each month for West- ter to read these tricky ents correctly enough to re that it reaches dry land a lasting solution to the ttish Question" which will e same time guarantee the rity of the U.K.

ere will be a strong temp- n to interpret the omens rficially. On the face of it, ts since last year's October ion have unfolded in a way h will have encouraged the f that the wrecking threat a rampantly Nationalist land was now waning.

e Scottish Nationalists' e during the EEC referen- this summer was decisively ted everywhere but in the rigible Shetland and ern Isles. The public ion polls suggest that sup- for the Scottish National y has weakened, squashing party back into third place a momentarily dazzling evement of overtaking the ervatives.

e Government is about to ish (probably within the few days) its second White r on devolution. This ares it to fulfil the election ises of both the Labour Tory Parties to create legis- e domestic Parliaments in land and Wales. By so g, the Government not only s that it will be seen to be responding to a widespread clamour for a more responsive system in Scotland; it also supposes that it will drain the wells of support from which the Scottish separatists have so copiously drawn by being able, until now, to pose as the only advocates of Parliamentary reform.

This process has been preceded, moreover, by an unusually adventurous decentralisation of some of the machinery for supporting industrial investment and sponsoring growth north of the Border. By the end of the year, the long-heralded Scottish Development Agency should be properly launched on its task of spending up to £300m. on industrial ventures, environmental improvement schemes and factory buildings. For the first time, too, the Scottish Office has been given an executive responsibility in the industrial sphere by taking over the administration of selective financial assistance for Scottish companies from the Department of Industry.

Halted

Closely associated with both of these initiatives is the work of the Department of Energy's Offshore Supplies Office, based in Glasgow, which is mandated to help increase British industry's share of North Sea oil and gas markets.

Furthermore, the local economy has been coping with recession rather better than in the past and has substantially improved its position relative to the U.K. as a whole. Net emigration has halted; manufacturing wage levels have pushed up to within an ace of U.K. averages: business surveys have been regularly reporting a higher degree of optimism than south of the Border; a big new growth industry related to North Sea development has rallied morale, particularly in the east and north, and has generated new employment for an estimated 60,000 people.

The sizzling feud on the controversial steel industry issue in West Central Scotland has probably been stamped out for the moment with the Government's insistence that some key works closures must be postponed, thus reducing from some 6,000 originally to 2,100 now the net loss of steel jobs expected in the next five years. Most important of all, Scotland's share of U.K. unemployment has fallen from 16.2 per cent. in January, 1972, to 10.7 per cent. last month. Indeed, if Scotland had maintained the share which prevailed for much of the 1960s, its total unemployment would now be well over 200,000 rather than about 125,000 as at present.

With bright trinkets like these, one might well ask why on earth should the natives ever be restless again. It is a fair question. If the reasons for Scottish dissent (as measured by the popular appeal of the SNP), are largely economic rather than cultural, then surely this alliance of a comparatively improving economic position with a devolution programme which at least nods towards the Scots' buried instinct of nationhood, should be more than enough to stop the Nationalists dead in their tracks.

The answer is that 10 years ago it would have done: since then, unfortunately, the political bidding in Scotland has been racing ahead of Westminster's pocket.

It is likely that fewer Scots are now either listening to, or are necessarily convinced by, the political metaphors of the 1960s—the language of Scottish-U.K. relativities which continue to inspire so many contemporary pronouncements on Scotland's condition. Its share of U.K. unemployment, for example, may have diminished, but as elsewhere the actual dole queue has lengthened seriously. The longish order books in Scotland's older capital industries, which offered some measure of employment protection at the start of the recession, have now become desperately short. The difficulties in the newer consumer industries are epitomised by the crisis at Chrysler.

Much of the shine, too, has been rubbed off the oil industry. There is now acute concern about the maintenance of employment in several of Scotland's seven new oil platform construction yards. More significantly, there is greater awareness, as Strathclyde University's Fraser Institute argued recently, that "the dynamic effects of oil-related expenditure on the Scottish economy have been largely absorbed," having merely postponed rather than avoided the more painful adjustments forced elsewhere by the recession. In the same way, studies by Aberdeen University have suggested that the bubbling oil-related activity of the last three years will be of no more than short-term benefit, accomplishing little in transforming the Scottish economy to high long-term growth.

It is that sort of consideration which for many months now has been shaping the debate in Scotland about the power and functions of the proposed Scottish Assembly. Working on the assumption that some kind of Assembly would be delivered soon, the argument has concentrated on the nuts and bolts—whether it should be elected by proportional representation or by simple majority; whether it should have economic and industrial powers, or be confined to Scottish Office "Home Affairs" responsibilities; whether its financial autonomy should be determined by a block grant from Westminster or extended by limited taxation and a share of North Sea oil revenues; whether it should dismantle the botched structure of local government, recently and unpopularly reorganised by Westminster.

But it now appears that the Scots have simply been talking to themselves. Few others have been listening, except perhaps in the cloistered specialist committees of the Cabinet's devolution unit. Suddenly, the bulk of English MPs have woken up in a state of high alarm. In fact, with the devolution White Paper now imminent, a thoroughly dangerous but frequently predicted stage has been reached in the debate. The opportunities for mishandling it at Westminster are immense; the possible consequences immeasurable.

For both major parties at Westminster now run the risk of proving what has long been suspected in Scotland—namely that the promise of a domestic affairs Assembly in Edinburgh was hastily made for short-run electoral reasons, and that it would never be endorsed voluntarily at its final test by an English-dominated Parliament. Labour will certainly produce its White Paper and is expected to go to some length in it to satisfy the leading devolutionists. But the main thrust of the attack will now come on the devolution Bill. It now seems most unlikely to go as far as the White Paper, and its introduction to Parliament may in any case be delayed until late next year.

The fact is that both major party leaderships are suffering convulsions of uncertainty about the wisdom of devolution—no matter what they say in Scotland. In jostling continually for tactical advantage, neither has tried to work towards a bipartisan approach which might produce, even at this late stage, a meeting point between the extremes of Scottish exasperation and English suspicion.

The issue between the two sides probably boils down to this. The devolutionists believe that the creation of a Scottish Assembly, by satisfying most popular Scottish aspirations, will stand a reasonable chance of reducing the "unionist" parties' casualty rate in the battle for Westminster seats, and will thus underwrite the continuation of the U.K. as a political entity. The opponents believe that precisely the opposite will happen—that any Scottish Assembly is almost bound to find itself in a real or contrived slugging match with Westminster over resources, and that this will inevitably push the Scots into the arms of the oil-grabbing separatists.

Both arguments are as respectable as they are irreconcilable. The interesting truth about both, however, is the degree to which they each tacitly accept that the real debate in Scotland is rapidly ceasing to be about the mechanisms of devolution, and is coming to be about the viability of separation. Yet both sides must surely also appreciate the enormity of the gamble that would be taken with the Scottish electorate if the Assembly were delayed or ditched. It would be quite wrong, in those circumstances, to regard the effervescent Scottish Nationalists as a spent force, incapable of converting their third of the poll into a respectable mandate for independence.

An Assembly would certainly institutionalise all old Scottish complaints about Westminster's complacency and remoteness, and would doubtless invent some new ones. But it would also buy valuable time. It would help to identify and hammer out a new relationship between Scotland and Westminster, on the thoroughly practical experience of the political dealings between each. To renege on the Assembly now would be to launch Westminster, and therefore the U.K., without sails or a rudder, into an entirely uncontrollable constitutional storm.

The new local authorities

WHEN THE Wheatley Royal Commission reported a few years ago no one could have predicted the scale of the problems that would beset Scottish local government as soon as the new regional authorities and islands and district councils were in operation.

It is only six months since the new authorities assumed executive responsibility but already the whole future of the two-tier system is in serious doubt. The Government's devolution measures are mainly responsible for that. Many politicians just cannot envisage the regions operating effectively alongside a Scottish Assembly, particularly when one of them, Strathclyde, covers a vast area containing half the population of Scotland.

The main criticism is that Scotland will be over-governed. Three out of the four political parties are already committed to changing the local Government structure in a post-devolution situation. Scottish National Party, Conservative, and Liberal policy favours the introduction of a unitary system of councils though Labour, still the dominant party in Scotland, wants the new councils to have time to settle down and maintains that the future of local government will be a matter for the Assembly itself to determine.

It is against the background of national political upheaval that the 65 regional, islands, and district councils are having to try to come to terms with the many other problems inflicting the new set-up. No-one would deny the fact that reorganisation could not have taken place at a more difficult time. Apart from the implications of devolution, the creation of the new councils has also coincided with the constraints of inflation and Government appeals for drastic economies over the next few years.

Public reaction to reorganisation in Scotland has been similar in many respects to that which followed council reform in England and Wales where the new authorities started functioning a year in advance of those north of the border. The worsening of the economic situation has probably proved to be a greater burden to the Scottish reorganised councils, however, because of the timing of reform.

Wheatley hoped to restore public confidence in local government but, ironically, public hostility has seldom been at such a high level. This is mainly due to the massive increases in rates which followed immediately upon reorganisation and major controversies over a 22 per cent. pay rise for chief officials. This resulted in many *officials receiving substantial* salary increases within a short period because of the promotion opportunities provided by reorganisation. There was much adverse publicity, too, over a half-price mortgage scheme for officials of the Central Regional Council.

Blame

It is, of course, easy to blame reorganisation for rising costs. Inflation has been the major cause though Government officials would not deny that reorganisation has been a contributory *factor. And the council* budgets showing overspending to the tune of £60m. can hardly have helped to allay the concern of both Government and ratepayers over the trend in local government expenditure. Reckonable expenditure taken into account for rate support grant purposes was £796m., but the new councils budgeted for £856m. This represents a 13.5 per cent. growth in real terms over 1974-75 quite apart from increases in pay and prices.

Mr. William Ross, Secretary *of State for Scotland*, has stressed that the £60m. is "over-budgeting" and not necessarily "overspending." He considers that many councils have perhaps made undue allowances for surpluses and has made the point that councils prepared their 1975-76 budgets under particular difficulties due to the uncertainties of balances and commitments being inherited from the old authorities. But he has made it plain that restraint must be exercised so that expenditure turns out to be lower than estimated.

The increases in rate poundage have been much higher than originally anticipated. An unprecedented level of rate support grant, amounting to 75 per cent. of reckonable expenditure, was agreed for the current year on the basis that authorities might be able to limit rates rises to an average of 25 per cent. But Government statistics show that average increases were double that forecasted and that in some areas ratepayers suffered rises like 150 per cent. and 200 per cent.

One of the reasons for these *exceptionally high increases* was the effect reorganisation had in equalising rate burdens, with former low-rated rural areas being merged with urban areas which previously had much higher rates. A three-year transitional rating scheme designed to cushion the effects of large increases has had only a minimal effect and the newly formed Federation of Scottish Ratepayers are urging the Government to step in with an interim relief scheme which would limit individual rates bills to the same extent as the special measures which alleviated the situation in England and Wales last year. Some rural-based regions also suffered from a redistribution of the rate support grant formula which is no longer heavily "weighted" in favour of rural areas.

Councils have been told to review their approach to financial control by abandoning traditional budgeting methods and introducing a system of cash ceilings followed by allocation to particular services. A recent Scottish Office circular, *giving advice on budgeting*, highlighted statistics which must give both Government and local authorities cause for concern. Those showed that local authority reckonable expenditure in the past five years was substantially greater than the growth in either gross domestic product or public expenditure as a whole.

The row over rates has served to highlight the shortcomings of the two-tier system which prevents any single authority from having overall control over the total amount being spent on behalf of the ratepayers within its boundaries. For instance, some of the regional councils maintain that they have operated within the Government guidelines but have seen their efforts to economise frustrated by district councils who have been less vigilant.

Conflict between region and district has also been the inevitable consequence of the Government's decision to allow certain functions, like those relating to planning, industrial development and leisure and recreation, to be "exercised concurrently." The two tiers of authority had the onus of working out for themselves how the responsibilities should be shared and in some cases region and district are still arguing about who does what.

This kind of situation has proved to be a mistake in England which has been perpetuated in Scotland. Likewise, there are serious reservations about the division of responsibilities for housing (district) and *social work (region)*. The steps taken to set up liaison committees are seen as recognition of the weaknesses of an arrangement which has split two such closely related functions.

Disastrous

These controversies have obviously had a disastrous effect on attempts by the new councils to improve their public relations and have obscured some of the efforts being made by councils to make the new system work. Regional reports setting out priorities in physical and financial planning are now being prepared for submission to the Secretary of State for Scotland. These will be the prelude to the introduction of structure and local plans. Encouragingly, attempts are also being made to build up a new spirit of co-operation between local authorities and central government. Regular talks are being held between the two on future planning requirements.

It must be with some degree of envy that English local government saw Scotland set up a single local authority association—the Convention of Scottish Local Authorities. This has enabled Scottish local government to speak with a united and effective voice in their negotiations with the Government.

Some authorities are still suspicious of new corporate planning techniques as proposed in the Paterson Report—the Scottish equivalent of "Bains," the report for England. The larger regional councils, however, have set up policy planning units in an attempt to develop fully the "corporate" approach. These units, it is felt, will be of immense value in helping to determine priorities which will be a delicate and essential task in the light of the economic constraints.

There is little doubt that the reformed system of lo[cal] government in Scotland is go[ing] to be under particularly c[lose] political and public scru[tiny] over the next few ye[ars]. Because of continuing critic[ism] about size, Strathclyde could [be] one of the first victims of [a] future reform.

When the Wheatley conc[ept] of powerful regional, dist[rict] and islands authorities [first] emerged, it was hoped in so[me] quarters that this, in its[elf] would give the Scots an effect[ive] measure of devolution. [The] Government, however, did [not] respond to many of the b[asic] principles of the Wheatley [report] and the political climate [in] Scotland has now chang[ed] dramatically. Any immedi[ate] changes to the new councils [are] extremely unlikely but a rev[iew] of local government could [be] one of the first tasks of [a] Scottish Assembly.

David Sc[ott]

U.S. influence

THE CRISIS at Chrysler (U.K.) inevitably focuses attention at the continuing major role played by American corporations, including the multinationals, in the U.K. economy. That Chrysler has a sizeable Scottish operation—in terms of *jobs it is the biggest American*-owned company north of the border—simply underlines Scotland's dependence not only on the U.S. segment of the local economy but also on the state of the U.K. and world economy, of international trade and important individual industries such as motor vehicles.

According to the latest estimate by the Scottish Council (Development and Industry) dated January 1, 1974, the U.S.-owned or controlled sector of the manufacturing industry in Scotland employed altogether 92,000, or almost 14 per cent. of the total labour force.

Since then a further six U.S. companies have been added to the 116 listed by the Council, which took no account of non-*manufacturing enterprise such* as the whisky distillers Seagram, Gaelic Oil, Scottish outlet of Gulf, or the four major U.S. banks which now have branch offices in Scotland.

But even within manufacturing, U.S. influence goes far beyond the mere numbers of companies and employees. The Scottish Council's survey puts the 1973 turnover of these companies at £842.7m., which represents, according to figures published in the latest Scottish Economic Bulletin, almost 16 per cent. of the total Scottish Gross Domestic Product in that year.

*Moreover, while manufactur*ing employment in Scotland overall was on the decline in the late 1960s and early 1970s, the U.S.-based sector (as the accompanying table below indicates) continued to grow.

The figures conceal certain discrepancies, however. The total net increase of 9,800 jobs in 1968-72, for instance, includes three elements — jobs gained or lost in companies already established; employment provided by new enterprise; and employment which had already existed in companies coming under U.S. control during that period.

	1964-66 %	1966-68 %	1968-72 %
U.S.-based employment	+17.3	+20.1	+12.7
Total Scottish employment	+ 5.0	− 3.7	−11.8

An analysis of the figures shows that in the first category the *net* increase of jobs was only 800—5,500 gained and 4,700 lost in the contracting electronics industry as well as in others. Nevertheless, established U.S. companies still managed to record a small overall employment growth while the rest of Scottish manufacturing declined by almost one-eighth.

Jobs

New companies coming to Scotland between 1968 and 1972 provided 5,250 jobs, while takeovers added a further 3,250 to the U.S. sector. By then, Chrysler, which at its peak em*ployed well over 8,000 people* but to-day only about 6,000, had already passed from Rootes' control. Other substantial Scottish companies such as Henry Balfour, of Leven, Fife (process plant), Giddings and Lewis-Fraser, Arbroath (machine tool and electronics) and Glenfield and Kennedy, Kilmarnock (engineering products) were also taken over by U.S. interests.

Employment shares, additional jobs and extending control still do not reflect fully the significance of the U.S. impact *on the Scottish economy*. In certain key industries, as well as in Scotland's export trade, U.S. companies approach a dominating position.

In the engineering industry which accounts for about a quarter of the total Scottish labour force, almost a third are employed by U.S.-owned or controlled companies. Based on the 1972 figures, these companies employed 27,339 workers in electrical and instrument engineering (which includes computers and other electronics, office machinery, etc.), representing over 40 per cent. of the total Scottish workforce in that sector. The 22,436 *employed in mechanical* engineering constituted 26.5 per cent. of the Scottish total.

It is no wonder therefore that the U.S. recession in electronics in the early 1970s, caused partly by the run-down in the space programme, led to thousands of jobs being lost in the Scottish factories of National Ca[sh], Honeywell or Burroughs.

Similarly, the more rece[nt] recession in the motor indus[try] rebounded on Chrysler's L[inwood] plant. As against th[is], General Motors, manufactur[ing] heavy earth-moving equipm[ent] *in Lanarkshire and on* [the] Scottish north-east coast, [an]nounced as recently as June [this] year a £6.5m. investment p[ro]gramme which should add [up] to 500 jobs to the 2,000 alre[ady] on the payroll and raise [its] factory space to over 900,[000] square feet.

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SCOTLAND III

A vehicle for industrial reform

EATION of the Scottish nent Agency — prob- ore the end of this year be the culmination of rapid and quite exten- orm in the administra- regional policies affect- ustry in Scotland. The nce of these reforms robably have attracted recognition had it not the fact that they have ccomplished under the of the wider and more debate about the on of parliamentary om Westminster to the Scottish Assembly.

he SDA, which has a unds of up to £300m. in five years, is remark- ts own right as a com- new vehicle for State ion in industry. More- changes have not been to the creation of the limited but significant in the disbursement ve regional investment ompanies in Scotland been transferred from rtment of Industry to ish Office, to augment ly planning and advis- tion to which it had stricted. In addition, ration of the Govern- pport policies for the th Sea oil and gas in- as been devolved with ion in Glasgow of the rters of the Department gy's Offshore Supplies Together, these three es are intended to the reflexes of Govern- licy as it affects Indus- velopment in Scotland.

SDA (like its Welsh part) has been ushered the coat-tails of the onal Enterprise Board. Al- gh the remit and functions he two organisations are wholly comparable, it is ably fair to say that in e areas where their roles oincide, the NEB will more than not be the "senior ner." This is liable to be apparent in fulfilling the stment-generating functions h both organisations have hat has been called the rchant banking" role. In case of the NEB this is the ral role; in the case of the , it is a role which, by the nature of the Agency's icial structure, will be ewhat less important (re- less of the political empha- placed on it by Labour ers).

earance

n examination of the SDA's ling illustrates this. The Bill blishing it allocates a get of up to £200m., with a her £100m. "on call." Al- gh no period is specified for expenditure, it is accepted being calculable over five rs. Yet by no means all of funding represents "new ey." The SDA is, for in- nce, taking over responsi- ty for the derelict land clear- e programme in Scotland, for major environmental rovement schemes which it undertake in partnership h the local authorities which e previously wholly respon- le for this endeavour. In lition, it will absorb the Scot- Industrial Estates Corpora- n, the Government's factory- lding and industrial estates ninistration body.

dinisters have been reluctant give a break-down of the fin- e associated with each of these functions, and in any case the calculation is made tricky by the fact that it is intended, over the five-year period, to double both the rate of factory building and of derelict land clearance. With this in mind, it is asserted that fully 75 per cent. of the funds being made available to the SDA represent "new money." At the same time it is acknowledged that the "merchant banking" function, on which the greatest political stress is being laid, will probably account for something like £50m. of the basic £200m. budget, over the five years—a relatively modest sum.

Priorities

A good deal will obviously depend on the priorities which the SDA's Board (headed by former Glasgow Lord Provost, Sir William Gray) sets itself, and indeed, on the call which Scottish industry makes on the Agency's funds. It may well be, in practice, that the SDA will want to devote more resources to the provision of loan capital and equity, and the launching of joint commercial ventures or State-owned ones, with rather less going on factory-building and land-clearance.

It is to guarantee this flexibility that Ministers have avoided committing the Agency in advance to specific levels of expenditure in each of its three main areas of activity.

In the same way, the Agency's precise relationship with the NEB will probably have to be worked out in practice, rather than on paper. In addition to the probability that both organisations will share some members, the most important prevailing convention is that the NEB will be likely to confine its Scottish activities to those "cross-Border" companies which have operations in Scotland and other parts of the U.K. The expectation is that the SDA will devote itself to companies wholly based in Scotland, slipping into a secondary, advisory capacity in relation to those U.K. companies which happen to have substantial Scottish interests.

Even on that definition, though, there are clearly going to be substantial "grey areas" both as regards the formal responsibilities of the two organisations in Scotland, and, more interestingly, as regards the political divergence that might appear between the two in their joint consideration of certain projects. This divergence is likely to become most evident in considering the future of U.K. industrial operations, in which a traditional response to group difficulties has often been to lop-off outlying branches, such as those located in Scotland. It is a pretty fair bet that the creation of the SDA (and the Scottish-oriented civil service to back it up) will strengthen the institutional desire to examine the viability of groups' Scottish branches separately.

One can think of several examples of this new motivation. Ferranti is probably the classic. As a company whose internal management was already "devolved" to an unusual degree, the instant response to its financial predicament from Scotland was two-fold: first that the group's difficulties were caused by the unprofitable manufacture of products not made in its major Scottish factories; second, that if extensive surgery proved necessary, the Scottish operations should be regarded as (and if necessary hived-off as) a separate entity. Similar considerations might also apply to British Leyland's Scottish operations which are distinctive in being wholly related to commercial vehicle rather than volume car production. In a wider context still, the character of much of Scotland's engineering industry has been altered both in output and in political priority, by its involvement in North Sea oil and gas markets. In each of these instances, the SDA will doubtless develop a distinctive line of advice and analysis, even in those areas where the ultimate responsibility belongs to the NEB.

The quality of this advice will depend significantly on the knowledge of industry acquired by the Scottish Office as it makes its transition from being a Ministry essentially engaged in lobbying and pressurising on industrial questions in Whitehall, to one with a new and important executive role thoroughly capable of shaping national policy. The Scottish Office is being assisted in making this transition by acquiring responsibility this summer for the selective regional assistance previously administered under the Industry Act by the Department of Industry.

Most of the 160 staff previously employed in the Glasgow regional office of the Department of Industry have now transferred to form the Industrial Development Division of the Scottish Office. As well as acting in an agency capacity for the Departments of Industry and Trade on such matters as export promotion, the new division (and its advisory assessing board) have been given total responsibility for administering aid given to industry under Section 7 of the Industry Act—that is to say grants and loans designed either to create employment or maintain jobs.

It has also been given an agency role (though not complete autonomy) in assessing special "rescue" schemes considered for aid under Section 8 of the same Act. This will involve it quite heavily, for instance, in assessing such industries as foundries, clothing and machine tools, for which special national financial allocations have been made. More significantly its new responsibilities draw the Scottish Office more closely into the policy-making web, so that while the U.K. ground-rules under regional development policy cannot be varied in Scotland, there is now the opportunity for a more authoritative Scottish voice to be heard when U.K. policies are being revised.

In practical terms, the Division's Section 7 powers involve applications being made in an 80-20 ratio from respectively wholly Scottish companies, and U.K. companies with Scottish operations. Since the Industry Act came into force in late 1972, the Glasgow office has made 477 offers of financial assistance, involving public funds of some £54m. on total capital expenditure schemes of some £473m.

In the first three months since these responsibilities were transferred to the Scottish Office, the unit has made 40 offers of assistance amounting to some £10m., on capital schemes involving £174m., and carrying an estimated employment potential of 6,300 jobs. Several of these schemes have been related to the North Sea oil industry, through which the unit's work dovetails tightly with that of the Offshore Supplies Office.

The OSO, created by the last Conservative Administration, works to a remit covering all British industry with a potential interest in offshore markets, though clearly its job of encouraging local initiatives and formulating support policies impinge to a large extent on Scotland, where most of the major offshore fabricating and construction work is concentrated and where an estimated 60,000 jobs are thought to have arisen directly and indirectly through North Sea-related activity.

The organisation has played a key role in the creation of a production platform building industry in this country, and (with debatable results because of the unforeseen downturn in workload) in the allocation of platform construction sites, mostly in Scotland. It will also be the main mechanism for ensuring implementation of the Code of Practice, recently agreed between the Government and offshore operators, designed to strengthen industry's "full and fair opportunity" to quote for North Sea work.

Estimate

A Code of Practice, with the 42 oil companies operating in the U.K. sector, was thought necessary because of the failure so far to match the high (some would say exaggerated) initial expectations of British industry's capacity to mop up most of the U.K. sector's North Sea market. Against a target of some 75 per cent., the most recent estimate shows that British industry's share of the £1,300m. U.K. offshore market was about 40-45 per cent., in the first six months of this year. Performance has varied: the OSO's analysis of orders placed last year shows that 47 per cent. of the most lucrative sector, capital goods (totalling £660m.) was secured by British companies, while only 29 per cent. of offshore services (a market of £534m.) went to British concerns.

The OSO has been attempting to fill some of the gaps—there is now a significant involvement of British (and Scottish) companies in offshore drilling contracting and there are plans for a strong British deep-diving capability. Other areas remain weak, though, like pipeline manufacture, pipe-laying, installation operations and the provision of heavy lifting and laying gear. The OSO's figures suggest, too, that if British industry's share of the market is to rise significantly beyond about 50 per cent. of the market, there will probably require to be substantial investment in new capacity. For it is reckoned that if one excludes those area where British industry had either no capability or little spare capacity, its total share of North Sea work is now about 75 per cent. With growing pressure, directed mainly at the OSO, for more muscle to be put behind a "buy British" policy in the North Sea, the trick in the coming months will be to maintain a balance between persuasion and protectionism.

Chris Baur

J.S.

CONTINUED FROM PREVIOUS PAGE

North Sea oil and gas activity s also created a new spring- ard for extended U.S. opera- ns in Scotland. Platform ilders J. Ray McDermott, and ghland Fabricators (jointly ned by Brown and Root and mpey); pipe-coaters MK- and; Marathon Manufactur- g, the rig builders: Baker Oil ols, Halliburton Manufactur- g, the Gray Tool Company; e FMC Corporation—these e all one way or another con- ected with the birth of the fshore industry in Scotland. Had it not been for this influx foreign, including U.S., manu- cturers and suppliers of the fshore industry, the burden of porting such equipment on e U.K. balance of payments ould have been considerably rger.

Equally, the U.S. companies Scotland, by exporting a sub- tantially above-average propor- ion of their output, have ontributed to raising Scotland's wn export performance above e U.K. average.

The Scottish Council survey uts the proportion of exports n the total 1972 turnover of J.S. companies in Scotland at 3 per cent. The share of U.S. ompanies in Scotland's total xports rose, according to the urvey, from 17.6 per cent. in 964 to 23.7 per cent. in 1968 and to 31.5 per cent. in 1972.

Total investments by U.S. companies in Scotland had reached £227.1m. by 1972, with turnover per employee at £20,200, highest in the food, drink, tobacco group (which includes whisky) and in chemicals at £12,300. In a comparison with total U.K. investment in the industries concerned, the survey finds that apart from instrument engineering and metal manufacture (which includes shipbuilding as well as motor vehicles), the rate of turnover per employee at U.S. companies was higher than the U.K. average in every other industrial sector.

On the other hand, metal manufacture became, no doubt partly as a result of offshore activities, the fastest growing sector in 1973 in terms of employment, new investment (up by 30 per cent.), turnover (up by 25 per cent.) and exports (up by over 40 per cent.). Overall, U.S. investment in Scotland rose by over £40m. in 1973 alone.

"The full impact (of the offshore industry) has yet to be measured," the council adds.

A new survey is being carried out by the Council and its statistical data and conclusions, expected to be published early next year, should throw fresh light on the U.S. contribution to Scotland's oil-related economic recovery.

The size of the contribution may well be crucial in offsetting a further run-down, at its most optimistic, at Chrysler and also in the largest single male-employing sector of the offshore industry, in platform and rig-building where the level of employment fluctuates wildly with the haphazard placing and completion of contracts.

The expansion of U.S.-based industry in Scotland occurred broadly in three waves: the first, immediately after the war, when labour was scarce and U.S. companies launched their initial assault on the export markets of Europe; the second in the late 1950s and most of the 1960s, encouraged by successive Government regional incentive "packages"; and the most recent one, of course, fuelled by North Sea oil and gas.

Bases

One should note, though, that two of the larger U.S.-owned companies, Uniroyal and Singer, have had Scottish manufacturing bases for well over 100 years.

The less measurable impact of the U.S. "invasion" in Scotland is in the spheres of technological advance, management quality, industrial relations and what may broadly be termed national outlook.

U.S. companies have certainly brought new technologies to Scotland, from computers to advanced off-shore platforms and other equipment. But while these led to new or up-dated technical skills, the research and development content with a few exceptions such as Hewlett-Packard, has been slight. Equally, managements at lower levels have been sharpened up but the top, again with some exceptions such as General Motors, do not normally occupy a high seat in the multinationals' global hierarchy.

The industrial relations record of U.S. companies in Scotland has on the whole been better than average, partly because the newer industries in which they operate are less burdened with the bitter memories of the troubles of the U.K. as a whole.

Finally, the very international character and export-mindedness of U.S. companies have acted as a powerful stimulas to develop a more outward looking attitude in Scottish industry and commerce.

But it has also created a much greater sensitivity to the ups and downs of the world economy, exposing Scotland to an increasing degree to forces beyond its control.

Andrew Hargrave

Complexities of the N. Sea

WHEN THE Queen officialy inaugurated BP's giant Forties Field earlier this month, she did more than open up a new chapter when, in actual pipelined oil production, Scotland and the U.K. as a whole could see the fruits of nearly a decade of continuous exploration in the North Sea. In another sense she closed a previous chapter and ended a five-year period of frenetic exploration success when oil find succeeded oil find, when the questions that dominated discussion were how much oil was there in the North Sea, who would be the major beneficiary and how soon could the nation enjoy the benefits.

In their place have come different, more complex questions of where exploration goes now, of how the pace of development investment will be sustained, of how costly will the oil be and what are the options left to Government in controlling its development. No longer can the North Sea be treated in the spirit of bonanza which once accompanied the dramatic series of major discoveries of 1970-1974. No longer can it be greeted as quite the panacea of everybody's woes, Scottish or British, that it once was. With actual oil production has come a greater sense of realism and with a greater sense of realism has come a greater uncertainty and more self-searching.

It is to this new phase of North Sea development, in which a quite different tempo is developing, that Government, politicians, oil industry, suppliers and contractors are now attempting to adjust. And they are doing so when the full reasons behind the changes are still the subject of very considerable debate.

In a sense, progress on exploration and development in the North Sea has continued to be as good over the last year, if not actually better, than it has ever been. The number of rigs operating during the summer in Scottish waters, at around 28, is as high as in previous years. The number of new finds, at nearly two dozen, has been better than in any previous year and the success rate of discoveries to exploration wells drilled, at about one in five overall and as much as one in two or three in the Shetlands, could hardly be more optimistic for the future.

The political atmosphere, while undoubtedly unsettled by the Government's tax and control proposals last winter, has to some extent been calmed by the substantial concessions made both to the legislation imposing a new Petroleum Revenue Tax on oil production and to the Petroleum and Submarine Pipelines Bill establishing greater administrative control on operations and setting up the British National Oil Corporation (BNOC).

Delayed

Production programmes, while considerably delayed by technical, design and weather problems in the first years, have now moved more rapidly ahead with better weather and more experience. Although a year behind schedule, BP's major Forties Field programme has at last come into the production phase and is expected to build up rapidly to a peak of 400,000 barrels per day or more by mid-1977. The major East Shetlands programme centring around Shell/Esso's Brent Field is at last beginning to take shape with the installation of the first platform on Brent and a successful start to laying the central Brent line to Sullom Voe. Occidental has now installed its first platform and pipeline to the Orkneys at the Piper Field. Amoco has put in its platform at Montrose. Mobil is due to start production from the Beryl Field east of the Orkneys this winter as is Shell/Esso at the smaller Auk Field further south. Hamilton Brothers' Argyll Field, the first U.K. oil field on production, has now been shipping oil for several months and throughout the North Sea there seems a generally more confident atmosphere that the worst delays are now over and that the current developments will now move ahead more rapidly to build up total production from the northern North Sea to the hoped for level of over 1m. barrels per day by 1978 and over 2m. barrels per day, sufficient to provide the country with overall self-sufficiency in energy by 1980.

And yet the central problem still remains that new investment in the North Sea has come very sharply to a standstill over the last winter and has obstinately remained in this position ever since. The last major new platform orders, for Chevron/BP's Ninian Field, were made last winter and there have been no further contracts despite all the efforts by Government to speed up new development programmes. No new field development have emerged during the year and there have been several programmes which had been expected to get off the ground, most notably at the Hutton and Alwyn Fields, which have been put into abeyance.

The result, and it is a potentially serious one for Scottish industry, is that production platform sites, expanded with Government encouragement and finance, have found themselves with no further work in view while supplies and contractors of virtually all forms of offshore service and equipment have faced the prospect of a declining market just as capacity throughout Europe has been built up to meet an expected increase in demand over the next few years. For Government, still concentrating on the target of self-sufficiency by the end of the decade, the results are not so immediately worrying since development programmes already in train are sufficient to achieve the purpose. For industry and labour, especially in Scotland, however, it is the next four or five years of new work that matters and it is here that the problem is growing daily.

It is the reasons behind this slow-down in new investment intentions which lie at the centre of the current debate. Politics is clearly part of the answer. Although the Government has strenuously denied that its own policies are responsible and although it has made very considerable concessions in its legislation to meet the criticisms coming from the oil industry, there nevertheless remains much that is uncertain and therefore unsettling in its policy. It is all very well to talk, as it does, of depletion control and retrospective changes in the licence rules as being residual powers that will not upset the economics of development.

But the Government has yet to make its own views clear on whether, and at what point, it will seek to curtail the build-up of production. Its policy of "voluntary" negotiation of a 51 per cent. state control of all existing commercial finds at "no financial loss" to the companies concerned is all very well in theory, but in practice it has yet to be really worked out.

Nor is it clear to the more experienced companies that such a strange offer would fulfil the purpose of providing them with political security over the future. It is "too soft" for the left-wing of the Labour party should future political trends move in their favour and too hard for the Conservatives, who would almost certainly cease to pursue it should they return to power. Just as undecided, also, is the role of the BNOC in future developments. Is it to play an essentially commercial role, as Lord Kearton has suggested, or is to be essentially a tool of the Government's overall energy and Offshore Supplies Office strategy that many civil servants would clearly like it to become?

Yet politics is only part of the problem, and not necessarily the main one. Behind the slow-down has also been a general financial climate in which oil companies, experiencing a decline in profits and in difficulties over bank finance and taxation measures in the U.S. and elsewhere, have tended to look closely at new investment worldwide. In the North Sea itself, cost escalation remains a serious problem as do the difficulties which smaller companies are experiencing in raising project finance.

Most important of all, perhaps, exploration itself has moved into a secondary phase in which drilling has tended to move on from the larger structures to the smaller potential oil traps in which the whole question of marginal economics comes into play. There is still discussion about the full import of this move, with some companies and observers confident of substantial new and as yet unexploited potential and other companies convinced that the peak of success has now been reached. Only further drilling can tell, of course. But there does seem a growing consensus among companies that the ultimate reserves that the U.K. can expect from Scottish water, at around 23-25bn., is now within sight, and that existing proven and unproven discoveries at a total of arou 15-17bn. barrels, are com close to it.

Oil development off Scotla thus faces an uncertain fut as companies and their suppli look to the next season. Th are reasons for believing t the worst is now over, and t the combination of some crease in the rate of cost-esca tion, a resolution of some of political issues and the ove sense that the world oil pr is likely to remain firm bring forth a number of orders next year, including platforms for Alwyn, Cormor Transworld's 21/1, Hutton, U Stratfjord, Andrew/Maur and Magnus (where a system subsea completions and buoy production structures is now ing planned). There are indi tions that some of the finan barriers to new loans are be overcome with loan annou ments expected shortly for Ninian, Thistle (Tricentrol) Claymore (Occidental Thomson). Longer-term, there are hopes that a real te nological breakthrough is in sight with subsea syste which could enable earlier ial production and more att tive finances for field devel ments, while the hard facts Britain's economic plight m in the long term induce Gove ment action favourable to velopment.

But the boom era has finitely gone. Future devel ment and exploration pace likely to go ahead at a m stateller level than the fre tic pace of the last few yea At what rate and for how l will depend on geology economics as well as Gove ment action. But for suppli as well as officials and oil co panies, the implications of t change can no longer ignored.

Adrian Hamilt

Backing the oil effort

SCOTLAND supplies platforms, supply ships, casing pipe, wellheads, drilling mud, food and a multitude of other goods, materials and services including labour to the offshore oil industry. Worth perhaps between £300m. and £400m. a year to the Scottish economy, the manufacturing and service back-up for the North Sea effort has managed to do what no amount of regional aid could achieve: it has arrested Scotland's seemingly unstoppable economic decline and provided a degree of insulation from the national recession.

The best measure of this lies in employment, long the major issue north of the border. Latest Department of Employment figures show that 21,000 people in Scotland are directly employed in projects established since oil and gas was discovered offshore, and there are now some regions of England and Wales which have worse unemployment than Scotland.

The year-long downturn in the momentum of North Sea oil development has for the first time given people a chance to think about the two major issues facing Scottish companies: how to break into the difficult but rewarding high technology end of manufacturing where the U.K. let alone Scotland fares so badly, and how to overcome the "confidence barrier" that often means the automatic choice of a proven U.S. firm for equipment or services that could be provided on equal terms by a home-based company.

If the first can be achieved the second target should also be attainable in time. This would give Scotland its best chance of securing a new world-wide market to replace shipbuilding and textiles. However, the depressing reality is that this most important sector of oil-related industry is dominated by U.S. and Continental groups, the majority of which are not even based on Scottish soil.

There are honourable exceptions of course. The Scott Lithgow Group on the Lower Clyde have three drillships on order, the only U.K. yard to be building these sophisticated vessels—although to a Dutch design. Brown Bros. of Edinburgh has developed a hydraulic wave compensation system for rigs and drillships with world-wide potential.

The picture is brighter elsewhere in the Scottish manufacturing industry, particularly so when the lower one goes down the technology scale. Scottish groups like Motherwell Bridge, John Brown Engineering and Robb Caledon have successfully broken into the modules market, although this success has not brought its expected reward in the shape of continued orders. Other indigenous companies, notably the Weir Group of Glasgow, are involved in the manufacture of such standard oil industry equipment as wellheads; but this market is mainly dominated by U.S. subsidiaries.

Scottish industry has been rather good at supplying demand for regular heavy engineering products such as pumps, generating sets, cables, cranes, valves and steel structures, much of which comes from marine suppliers on Clydeside. During the coming shipbuilding slump oil will help keep the wolf from their door.

The British Steel Corporation, though heavily criticised for not investing £50m. in a mill to produce the heavy-wall undersea pipe that has all come to the North Sea from abroad, has cornered the market in well-casing pipe. Its Clydesdale tube works at Bellshill on the Eastern outskirts of Glasgow has been re-equipped with two electric arc furnaces and now can produce up to 105,000 tonnes of seamless pipe a year. Other BSC mills in the west turn out plates and reinforcing bars for platforms, decks and modules.

Supply

The supply and service sector also reveals an encouraging picture for Scottish firms, or the Scottish-based subsidiaries of U.K. companies. The supply network operating out of east coast ports has a sizeable slice owned by British shipping interests, in many cases with considerable Scottish financial participation. Scottish engineering concerns have built up the slick delay-free service and repair facilities demanded by the offshore operators with their "want it yesterday" philosophy.

Oddly enough Scottish shipyards have almost entirely missed out on the huge new supply boat market opened up by the North Sea. It is estimated that nearly 400 of these tough, small but sophisticated vessels will be needed by 1980 at a total cost of £800m., yet just four have been built in Scotland and 13 in the rest of the U.K. Meanwhile yards in Holland, Germany, Norway, Sweden and as far afield as the U.S. have sizeable order books.

An interesting indication of the success of firms in various parts of Scotland in breaking into the oil business is given in the analysis of oil-related employment. By far the greatest impact is in the Grampian region including Aberdeen and Peterhead, where 9,400 are employed in new oil-created jobs. This is nearly half the Scottish total. Figures elsewhere show the Highlands have 4,400 jobs, Strathclyde 3,300, the Central, Lothian and Fife regions 2,100 between them, Tayside 1,300 and the Shetland, Orkney and Western islands a total of just 200. For every one of these jobs another one has been created, either in an existing company moving into the new market indirectly because of oil-rela development including ro building and other inf structure creation.

But the true picture of h badly Scotland—and indeed t U.K.—has fared in meeting t new demands of offshore oil mands a comparison with N way. While that country, wit 4m. population, has the sa number of oil-related jobs Scotland with its 5.6m., the i portant factor is that much those new jobs are in the hi technology marine areas of t oil business. Norway excels rig construction, builds dozens supply boats, delivers concr platforms on schedule and op ates pipelay barges, none which Scottish manufactur industry seems to be able match despite its long marit tradition.

Paul Stev

Depressed market for platforms

. beach, near the Argyll- village . of Portavadie, is a very large, square in the ground. It cost £14m. to dig it and, at oment, it exists as a rather n monument to the ssed state of the market ie huge platforms which eeded to produce oil from Sea fields. While it ns empty, the Portavadie lock cannot help being hing of an embarrassment he Government which rised its construction last ; as its first initiative its recently acquired s to control oil-related l development by taking platform sites into pubilc ship.

vas, in fact, the first of two initiatives, taken under uthority of the Offshore leum Development (Scot- Act. This Act enables the nment to acquire sites d for production platform uction, pay for or under- the cost of development ease back to contractors either have or are pursu- rders with oil companies.

powers are seen essent- as a means of ensuring ly coastal development ehabilitation of sites after and they were promoted y in response to public of uncontrolled and dis- 'e development, in what red until about a year ago an unseemly scramble for water sites on the Scottish coast.

asing

e Government moved first Portavadie, providing the ated £14m. to develop the lock and workers' village, easing the site to the con- im which had identified it, Platform Constructors, a which includes Marples way, Cementation and the Netherlands Harbour pany. Later, the Govern- authorised a second de- ment, at Hunterston, on yrshire coast. It has under- en loans of up to £11.5m. the site is developed by -Dutch Offshore Concrete, oup which includes four erlands companies together Tarmac Construction, Bal- four Beatty and Len Fairclough.

Portavadie went ahead fast, because it was considered the likeliest of the two to secure an order this year for possible delivery in 1977. The yard has been created smartly and is now capable of taking an order; but none has been awarded. Ministers had been working on an assumption that the initial rush of orders for platforms would be maintained this year and that new U.K. sites were urgently required to prevent a continued loss of orders to over- seas competitors, particularly for the concrete gravity plat- forms that both Portavadie and Hunterston are designed to manufacture.

It proved to be a bad guess. Only about five of the 13 orders for major platforms which were predicted for this year have been placed, and the Depart- ment of Energy has substan- tially downgraded its estimates of a year ago. It now thinks that between 43 and 61 major platforms are likely to be ordered by U.K. sector North Sea oilfield operators by the end of 1980, compared with the range 55-80 given in August last year. Of these, 23 have already been ordered or installed (14 of them built in British yards). It is thought that there will be no further platform orders placed this year, but that if political and cost uncertainties surrounding North Sea opera- tions can be cleared during the next critical six months, some 14 orders should be placed between now and the end of 1977, and a further 16 between 1977-80.

The dearth of orders this year, dramatised by Port- avadie's sore thumb, has nourished speculation that, in reacting to its own exaggerated demand forecasts of last autumn, the Government has now encouraged a substantial over-capacity in the British platform building industry. As matters stand, there are at least three Scottish construction yards which are technically capable of taking new orders in four vacant berths now, with further capacity becoming available in six to nine months.

There is Portavadie itself, where the contractors could legally be moved out by the Government if a competitor without a site could show that it was assured of an order by using the controversial yard. In practical terms, however, Sea Platform Constructors have until about the spring of 1977 to secure an order before they could be obliged to relinquish their lease; and in any case they, too, will be bidding hard for any available concrete platform work against rival users of the Portavadie yard.

In addition, the longest- established concrete platform site at Ardyne, operated by McAlpine-Sea Tank, now has two of its three building berths vacant, with a float-out of the base section from its largest berth due shortly. On the east coast at Methil, in Fife, Redpath Dorman Long (North Sea) is having to make do with small shallow-water platform jacket orders and contracts for deck modules while it seeks an order to follow the major steel jacket it has built (too late for this autumn's scheduled installa- tion) for Shell-Esso's Brent field. Between now and the spring construction berthage will also become available at Howard- Doris' Loch Kishorn yard and at Hunterston. As well as all this, the Nigg steel yard of High- land Fabricators, has plans approved for creating a second, larger dry dock in Easter Ross in which to build steel-and- concrete "hybrid" platform structures.

Potential

There is, then, a large actual and potential capacity which, when added to the vacant berths now becoming available in the yards of Scandinavian contractors, produces a picture of severe competition among platform builders when the oil companies finally press the button with their next round of orders.

This situation is causing con- siderable anxiety, not least among trade unions, who now have a large membership (some- thing like 7,500 in Scotland) in the primary platform yards. Their worries about continuity of employment are not being eased by semi-official forecasts suggesting that some yards may find it impossible to maintain work programmes without ex- periencing spells of closure. The steel platform yards, which are thought in some quarters to be likely to face the most intense difficulties, will almost certainly attempt to ease their situation by diversifying if major platform jacket orders are scarce. Some are already doing so. Both RDL (North Sea) at Methil and McDermott (Scotland) at Ardersier are taking on other oil-related fabrication work, like module- building, deck components and piling—a trend which may make life harder, in turn, for the subsidiary module fabricators located on the Forth and Clyde estuaries (companies like Foster Wheeler-John Brown, JBE Offshore, Burntisland Fabricators and Motherwell Bridge).

It is possible, however, that the over-capacity in practical terms may not be so great. The Government's own evaluation is that, on past experience, the balance between supply (of sites) and demand (for plat- forms) may be more even than the bald figures suggest. Its predicted demand for 30 more major platforms by the end of 1980 implies an average order- ing rate of six a year during the next five years. Against this, the U.K. has eight plat- form yards (four each for steel and concrete structures), with a theoretical capacity (if the Nigg yard is extended) of 11 building berths. For practical purposes, however, the indus- try's capacity is liable to be much less—problems like labour disputes, materials shortages and design changes may well reduce the number of berths available at any one time to about two-thirds of the paper total.

In addition, of course, the pat- tern of ordering by the oil com- panies is itself unlikely to be as neat and even as the contrac- tors would ideally like. This, coupled with slippage caused by what one official called "the industry's congenital tendency to underestimate the size of the civil engineering task it has taken on," may result in the existing yards being more fully utilised than some forecasts suggest.

Chris Baur

Port facilities

SEEMS reasonable to suggest a saturation point has now reached in the provision of facilities in eastern and nern Scotland for North oil and gas industry supply ls. Indeed, it seems likely ie current state of offshore ity that the very substan- investment in those regions produced, temporarily at an over-capacity of hage.

ie coming year is likely to mine how serious or other- that over-capacity may be, in consequence how difficult night become to achieve stable operation of what in cases are very expensive ine installations. One or service base operators have sufficient flexibility incor- ited in their investment is to avoid grossly over- nding themselves in current litions, and in these ances some development posals have either been post- ed or scrapped altogether. at all operators have learned he last year is the necessity reating with infinite caution ie of the forecasts of explora- and exploitation activity ch have been the basis of ir commercial decisions.

uring the last year they e faced a paradoxical situa- —a "downturn" in offshore ivity which, in comparison h 1974, was no downturn at but which represented more urately a moderation of at had been some rather lated expectations. A survey dertaken for the Government Aberdeen University and blished at the beginning of s year amply illustrates the son for the supply industry's appointment.

The main conclusion of this essment was that the number supply beat movements would rease substantially up to 1978 fore starting to decline. It s then estimated that the erage number of monthly vements during the summer riod, to mainland ports, would rease from 612 in 1974 to 33 in 1978, with activity dually falling thereafter. In Northern Isles it was anti- pated that the scale of rease would be greater— ing from 121 monthly move- nts in 1974 to 916 in 1979.

On this basis it was forecast at there would be demand for about 44 quay spaces in main- land ports and 31 in Shetland and Orkney by 1978. Against that total demand for 75 berths at peak, operators' plans were then estimated to provide for 72 berths, with the possibility that there might be a marginal over-capacity in mainland ports and a clearer shortfall in Northern Isles ports.

Activity

These estimates were made, however, on the assumption of exploration rig activity which has not materialised. The sur- vey foresaw that the average number of rigs working in Scottish North Sea waters would rise from 30 in 1974 to 40 this year, reaching 50 in 1976, before tailing-off gradually to just over 30 in 1980.

In fact, rig activity has never reached those levels. For the first three-quarters of 1975 the average number of rigs work- ing was just under 28, and the peak never passed 30, achieved in March. Although the Government's own estimates were more cautious than Aberdeen University's, the off- shore exploration industry has yet to reach the 35-40 rig maxi- mum which the Department of Energy thought would be the likeliest peak at any one time.

In terms of rigs engaged in the area, then, 1975 appears to have been broadly compar- able with the preceding year, while in terms of results, the year is regarded by the Depart- ment of Energy as a record, with more than 20 discoveries made and a success rate for each exploration well drilled of one in three, rising to one in two in the most prolific East Shetland area. Although exploration activity (and that includes appraisal work on existing fields) has not matched service operators' expecta- tions, the two other main areas of business have worked out close to forecasts. Oil com- panies have been successful, with few exceptions, in keep- ing to their revised schedules for production platform instal- lation and subsea pipe-laying, following the lengthy initial delays in delivery. The increas- ing tempo of development work on committed commercial fields has undoubtedly compensated for some of the disappointment felt by supply fleet and service port operators about the level of new exploration work.

There appear to be two main worries for these operators now. The first is the immediate one of how soon and how extensively exploration rig charters will be renewed, now that the mid-way point in the oil companies' six-year obliga- tion to explore on their licensed blocks has been reached, and with the probability that most of the significant finds in exist- ing licence areas have now been made. Prospects will be boosted, however, with the forthcoming new round of ex- ploration licences, on which the Government is likely to invite applications early next year, while making its allocations in late 1976. These allocations could open up new acreage in the Moray Firth and Shetland areas, as well as in the western approaches and Celtic Sea.

The second anxiety of ser- vice operators will be about the level of activity resulting from field development, as opposed to pure exploration. This year's substantial dearth of platform orders is bound to mean fewer installations in 1978 with a con- sequent dip in demand for servicing and supplies.

In all, investments have been made in 18 port bases along the Scottish east coast and in the Northern Isles. Some are operated by major oil com- panies, others by private con- cerns with or without direct interests in service fleets. The principal mainland concentra- tion is at Aberdeen and Peter- head. At Aberdeen some 21 berths have been provided in six integrated support bases— four of them operated by oil companies (Texaco, Shell, Total and Amoco) and two by private concerns (Seaforth Maritime and the John Wood Group).

As part of an estimated £12m. expenditure on oil-related port facilities, Aberdeen Harbour Board has now completed the first phase of its £5m. scheme to convert its inner basin for tidal 24-hour operation. The port's rig supply vessel traffic in the first nine months of this year equalled the total traffic for the whole of 1974, and its revenue from oil traffic has risen from £313,000 to £546,000. Direct cargo services have also been inaugurated between Aberdeen and the U.S. Gulf ports, Rotterdam and Stavanger.

At Peterhead there are two bases with almost a dozen ser- vice vessel berths—the major base operated by Aberdeen Ser- vice Company on lease from the Scottish Office, and the other by British Oxygen Com- pany. Peterhead's facilities are also likely to be taxed by chemical and liquid gas ship- ments as a result of major gas processing plants proposed nearby by Shell and the Scandinavian-British combine Scanitre.

At Montrose, the P and O subsidiary, Sea Oil Services earlier this year opened its £6m. base, which includes an engineering plant. The com- pany has decided, however, not to proceed with its planned £2.5m. investment at Lerwick. Other mainland ports for the oil industry are at Dundee (where BP and Conoco base their North Sea marine opera- tions) and at Leith, which is strategically placed on the Forth Estuary to handle rig re- pair and replenishment.

Maintenance

In the Northern Isles, three bases are operating in Lerwick, the largest created by Norscot (a subsidiary of the Fred Olsen line), with others owned by the local Harbour Trust and Ocean Inchcape. Scalloway has a two- berth base while at Sandwick, also on Shetland, Hudsons is confining itself to three berths, though it could extend to nine. Orkney's main service facilities are at Lyness on the Scapa Flow, where BP, Shell and Sedco are based.

On the Scottish mainland, the possibility of creating an oilfield maintenance yard in Caithness is being investigated by the local authority and the Highlands and Islands Develop- ment Board—though the col- lapse earlier this year of one company in the same field (the Clan Line—Yarrow partnership of Marine Oil Industry Repairs, which had anchored its specially-equipped maintenance vessel in the Cromarty Firth) may serve as a warning of the uncertainties of that market.

Chris Baur

Bright side to steel

THE RECESSION may be biting deeply into steel production in Scotland, with the massive Ravenscraig "heritage" works on little more than 50 per cent. of design output, but no-one is declaring the Scottish steel industry a disaster area. Pay packets have been slimmed down and sporadic outbreaks of frustration erupt in short, sharp strikes and threatened blacking of steel from the South, but the Scottish steel industry has emerged from the last few months with a future which virtually no other steel region in the U.K. can match.

If there is a bright side to the recession as such, it is that time has been gained to match production capacity to the demands of the next big upturn, no mean feat in Scotland where the general upturn looks almost certain to coincide with the re-entry of the oil industry into the market.

Amid the gloom of the markets, 1975 has so far been the year when the future began to look bright for Scottish steel with both a commitment to the long-term future through acceptance by the Government of a major integrated steelworks at Hunterston and the first embryo stages of that plant approved — backed up with a review of the closure programme cutting the potential redundancies to a little over 2,000 instead of the 6,500 originally planned. If the 1,100 jobs at the Methil platform yard on the Forth are included and the go-ahead is given for a major expansion of the Bellshill tube works and some further smaller projects, net lost job opportunities will be well under 1,000.

One of the biggest dangers of the current recession is the prospect of a potential labour shortage, as new investment begins to come on stream at the end of next year. A typical example of the dilemma facing the corporation is the situation which caused the lay-off of 2,000 men at the Ravenscraig plant earlier this month.

Only one of the three coke oven lines at the plant is required to meet the demands of the steelworks at present with a little additional coke being brought from other works. The coke oven workers, with their earnings reduced to bare time through over-manning of the single line, walked out in protest at the import of the additional coke. At the same time, Ravenscraig's three blast furnaces are being upgraded as part of the £100m. expansion of the plant and when they come on stream, all three oven lines will be needed and the present work force will have to be expanded.

The overall Ravenscraig expansion will increase production from 1.5m. tons a year to 3m. tons, employing an additional 1,500. The new plant comes on stream at the end of next year and into 1977. The project is closely tied to the completion of the ore terminal at Hunterston, which has a capacity of 7.5m. tonnes a year, also due to begin operations at the end of next year.

These two projects will be followed by the first of the two 400,000 tonnes a year direct reduction plants which the Corporation plan to build at Hunterston. The starting date for them, however, is before the planned closures begin at the open hearth plants of Clydebridge with 1,000 workers, Dalzell with 1,030, Lanarkshire with 390, and at Ravenscraig itself with 460.

Furnaces

Some of the open hearth furnaces at these works have been closed on a temporary basis because of the recesssion and their labour force possibly could be transferred to the new Ravenscraig basic-oxygen plant, *but the unions have* been suspicious of these temporary closures and would demand a re-opening as the market improves from the middle of next year onwards. A further complication in this scenario is the prospect of the oil floodgates opening again. The oil companies and the Government have been engaged in stalemated trench warfare for most of this year over the participation plans which Energy Minister, Mr. Anthony Wedgwood Benn, wants to push through.

Oil companies have been holding out in the hope of a Government re-think and their tactics have included delaying the decision on developing new discoveries with a resultant famine in platform orders. Steel for existing platform orders is still being produced from Scottish works, but most of these contracts *are due for completion in* the near future.

The Government—faced with the near-certainty of empty yards and increasing unemployment next year—are putting pressure on the oil companies to begin ordering platforms and have now played their strongest card with the offer of a new licensing round next year. Ministers have made it clear that the prizes will go to the companies which have done most to develop their existing blocks.

The naked power game is rapidly reaching a climax and causing British Steel Corporation nightmares of an order gap followed up by impossible demands for platform steel. Bulk steel is no real problem, but rolling mill capacity could be a serious constraint. The bitter prospect for BSC, in a sudden flurry of ordering with prices low and delivery dates tight, is seeing some of these orders going abroad.

A further implication is that the Dalzell open hearth furnaces would probably have to be kept going, while—because of their position next to the Ravenscraig works — BSC would probably have preferred to transfer the workforce to the new plant.

The time gained by the recession and the reduced activity offshore this year has however been important for the Clydesdale tube works at Bellshill. Two new electric arc furnaces are now commissioned giving an output of 360,000 tonnes of steel a year.

The works has been one of the success stories of BSC in the North Sea, helping the Corporation to hold an impressive 90 per cent. of the casing tube market. Had the boom gone on, lack of capacity at Clydesdale would have reduced the market share to at best 75 per cent. this year and between 60 per cent. and 65 per cent. next year caused by increased exploration drilling and the beginning of development drilling on a large scale.

Terminal

A £20m.-plus expansion plan to nearly double output to *160,000 tonnes of casing* tube a year is due for decision in the next few weeks and could allow the Corporation to retain its near monopoly of the North Sea market despite increased demand.

The beginning of the development of the Hunterston site is by far the most important feature of 1975 for the Scottish steel industry. While work on the ore terminal was under way early in the year, the decision to go ahead with the two direct reduction plants costing £55m. and the siting of a 250,000-tonnes-a-year electric arc plant and associated primary mill on the Peninsula, puts the first flesh on the bones of the long-term dream of a giant new steelworks to match the best Japanese works.

BSC stresses that the three projects do not constitute the first stages of an integrated works but are an act of good faith in their long term commitment to the development of the site. This commitment was given added weight early in the year by the Prime Minister in talks with the Scottish Trades Union Congress when he gave them the first specific Government backing to the project.

BSC followed up the Government commitment with the establishment of a planning team in Scotland to work on plans for an integrated works with an initial capacity of between 5m. and 6m. tonnes of *steel a year beginning to come* on stream probably in 1985 with the first site works envisaged before the end of the present 10-year expansion programme in 1982.

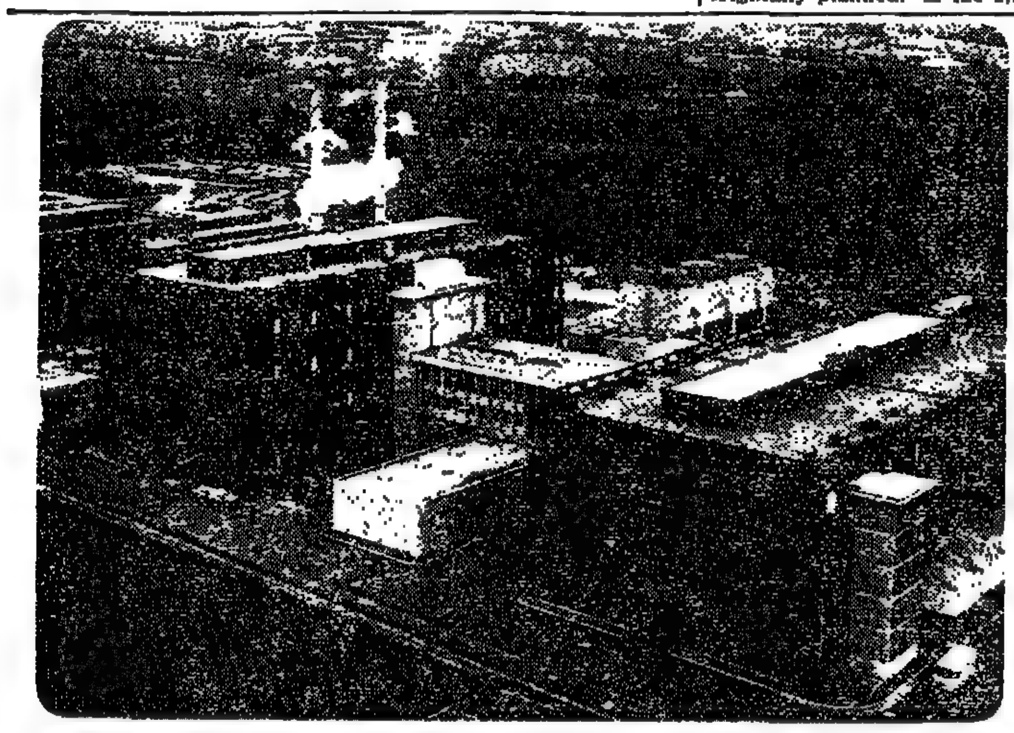
The design of an integrated works is, however, an immensely difficult exercise in crystal-gazing. The penalties of getting the technology, the product mix or the energy source of the project, which at to-day's prices is equal to more than half British industry's annual investment, wrong are incalculable.

Conventionally, the assumption for Hunterston is based on imported iron ore and possibly coal from the cheapest world sources feeding blast furnaces with conversion to steel using the basic oxygen converter in turn would go through tinuous casting to primary and most likely to a hot mill and cold rolling secondary product line possibly rails, bars and sec

The formula has been p all too successfully by Japanese. No one disputes at the present stage of de ment, the blast furnace, oxygen converter route i cheapest possible metho producing bulk steel. Th advantages are in the i bility of bulk production the enormous capital necessitating maximum u tion even in a recession a *expense of other* works. A ther problem is absorbing vast quantity of steel whe plant first comes on stream in evaluating a project years hence, no planner forecast that the plant w begin production at the b ning of a boom.

At Hunterston there is a ternative in the direct redu electric arc routes using na gas from the North Sea electricity from the two n power plants already lished, a third planned space for a fourth comb the necessity for conti operation of nuclear plants a continuous processing i try such as steel.

John Drumm



Electricity pricing

PERHAPS THE most significant event of the present year for the two Scottish electricity boards will be the wiping out of the operating deficit which has been a feature of their operations since the start of the 1970s.

In keeping with the Government's declared intention of ending subsidies for nationalised industries, both the South of Scotland Electricity Board and the North of Scotland Hydro-Electric Board have imposed tariff increases over the last 12 months which should enable them to balance their books when the present financial year ends in March, 1976.

At the end of the previous *financial year the SSEB had a* deficit of nearly £20.4m. which was reimbursed by the Government. The northern board received similar assistance to cover a net loss of £2.3m.

The move towards realistic pricing, which coincides with the effects of steeply rising costs of the fossil fuels that provide the bulk of Scottish generation output, has meant additional charges to both domestic and industrial users compounded on top of the heavy increases of the previous year.

Also in accordance with Government policy, there has been a deliberate loading of the burden of higher charges on the large-scale domestic user in the belief that he is more likely to be in a position to conserve energy than the consumer who is using only a minimum amount of the power.

Despite the attempts to ration*alise power demand through* pricing policies and the effects of the present industrial recession, there was little evidence up to the end of the two boards' accounting years in March, 1975 to suggest any reversal in the pattern of growth in demand which has led to a steady increase in Scottish power station provision over the last decade.

The 17.7bn. units sold by the SSEB represented an increase of 2.6 per cent. over the previous trading period, despite the average price to the consumer being more than 20 per cent. higher. The North of Scotland Board reported a 3.3 per cent. overall rise in demand, but if supplies sold to the aluminium smelter at Invergordon — the major user in the Highlands area—are excluded from the calculations, the percentage increase was 6.9.

Domestic sales in the north rose by only 4.8 per cent. but industrial customers in the area bought 11 per cent. more electricity and supplies to commercial premises rose by 9.8 per cent.—a reflection of the continuing impact of onshore developments associated with North Sea oil and gas activity.

Demand during the coming winter—which might not be as mild as last, when prices will be considerably higher and industrial recession could be biting more deeply — should demonstrate whether the upward trends can be expected to continue, as was assumed when the boards embarked on their present programmes of power station building.

Over the next year the SSEB plan to commission the first of the two advanced gas-cooled reactors at the Hunterston B station on the Clyde which will eventually have an installed capacity of 1,320 MW. The oil-fired station at Inverkip, also on the Clyde, is also due to start operating within the next year and will provide 1,980 MW of extra capacity by the time it is fully operational in 1977.

Projects

These two projects, representing a total investment of some £240m., should contribute most of the additional power required in Central Scotland up to the 1980s. Supplies will be further boosted in the late 1970s by the 1,320 MW oil/gas fired unit which the NSHEB have started constructing at Peterhead.

Rising power needs after 1980 will be largely met by the first of the new generation of steam generating heavy water reactors to be installed at Torness Point, near Dunbar on the *east coast of Scotland.* The Government recently sanctioned use of the site and allocated one-third of the initial 4,000 MW U.K. programme to the SSEB to enable two reactor units of 660 MW electrical output each to be built there.

The decision allows the Scottish Boards to keep at the forefront of nuclear technology. The NSHEB are also examining the possibility of including a plant using this type of reactor in their future plans and already have a site at Stake Ness, near Banff, on the Grampian region coast which was selected some time ago as a potential location for a nuclear power station.

Customers in the far north of Scotland have for many years been enjoying the benefits of even more advanced nuclear technology through the output from the United Kingdom *Atomic Energy Authority's* establishment at Dounreay where Britain's first fast-breeder reactors are being operated.

Last year the Northern Board received 6m. of the units supplied to the public system from the small experimental reactor which is based there but the proportion is expected to increase during the next year as the result of the start of generation by the prototype fast reactor at Dounreay which went critical last year.

About 40 per cent. of the NSHEB requirements are still met by hydro generation and the board's most recently completed scheme was a pump storage plant with two 150 megawatt sets which was put into service at Foyers on the shores of Loch Ness.

Foyers is the second pumped storage scheme installed by the board. Another 400 megawatt unit has been operating at Cruachan in Argyll, and a third scheme may be included in the board's long-term plans. Site investigations and design studies have shown that Craigroyston on the banks of Loch Lomond would make a suitable development and the necessary procedures to put the project in hand may be started soon in view of the long planning and construction period needed for such projects.

A particular problem facing the NSHEB in trying to achieve the most cost-efficient power generation in island communities is the rise of the cost of diesel fuel which is used to drive local stations. This form of thermal generation now costs 50 per cent. more than on the mainland and the board are looking at more economical means of serving these communities, including the possibility of using as a fuel associated natural gas landed with North Sea oil.

Both Orkney and Shetland will have pipeline term from offshore fields and tities of gas could be made able for local power pla the British Gas Council ar pared to waive their rig first choice of the supplies the southern board have al failed to get access to s deliveries to Grangem which have started to through the Forties pipelin

In their long-term plan the SSEB had chosen a site Bo'ness as a possible loc for a large oil/gas fired p But a few months ago Scottish Office decided to a planning decision on development until a compre sive study had been ma possible atmospheric poll which could arise in the Forth Valley where there already two power stations a petrochemical complex.

While not ruling out the p bility of an additional plan ing built in the area eventu the likely delay has comb with the economic and su difficulties associated hydrocarbons to set the b more firmly on a nuclear co

They are, therefore, plan to seek approval for a nuclear station to be buil Hunterston during the 1 when all the additional ou from the Torness Point st could have been taken u continuing growth in dem The site is believed to be able for plant with an ulti gross electrical output of megawatts which, b together with the sch planned by the northern b *should cover Scottish* requ ments well into the 1990s.

By a Correspond

Plenty of work for the banks...

TLAND'S "NATIVE" s, though relatively modest ıze, have always played a ficant role in the life of community. The three ining clearing banks, result ıccessive mergers since the world war, have seized the rtunities provided by the and off-shore oil and gas lopments in the North Sea as their predecessors oiled inancial wheels of the first strial revolution in the last ıry. The other financial tutions, too, may be said to kept their eye on the gy ball, though not without raditional Scottish caution.

e total commitment of the banks to the North Sea timated at around £200m., hich direct contribution to funding of BP's Forties l—the first of the major s producing oil—forms only ıall proportion. However, Bank of Scotland has a 15 cent. stake in the International Energy Bank, which in is instrumental in funding dental's share in the Piper Claymore Fields. The Bank cotland, as well as the Royal k of Scotland and the Mid-owned Clydesdale, particl- in investment companies, ral of them Scottish-based nspired, with shares in exation blocs and in the on-e supplies and services ntial for both exploration production.

tive

ıe Royal, which is part of National and Commercial king Group (it also owns iams and Glyn's, a London ring bank) is particularly ve in the supplies sector and ices sector, providing helier and ship as well as subtial equipment leasing ices.

he bank has also set up representative offices in major oil tres such as Houston and Francisco, while its rival, Bank of Scotland, has a rate oil division to provide only credit but advice on icipation in the North Sea ness.

ıe assets of all three banks expanded substantially in years 1972-74, not least as a ılt of the influx of foreign enterprise. For example, the deposits of the smallest of Scottish clearers, the Clydesdale, increased by no less than 56 per cent., *from £380m. to £594m.*, in those three years, partly as a result of the bank's traditional foothold in the oil-revived Scottish North. Clydesdale has also provided finance, guaranteed by the Government, for Scotland's newest platform yard at Hunterston, on the Clyde.

ADVANCES OUTSTANDING ON AUGUST 20, 1975

	Total (£m.)	% of advances
Manufacturing	423.9	22.6
Other production (agriculture, fishing forestry, mining, construction)	316.0	16.8
Financial	242.5	12.9
Services (incl. public)	492.5	26.3
Personal	248.8	13.3
Overseas residents	151.3	8.9
TOTAL	1,875.0	100.0

Source: Institution of Bankers in Scotland.

This year, contrary to the U.K.-wide trend the Bank of Scotland managed a small increase in its net profits in the first half of the 1975-76 year as well as in its interim dividends, largely due to the success of its subsidiaries in merchant banking and finance.

Nevertheless, the Scottish clearers have had to face fierce competition from foreign rivals, particularly in their merchant banking activities, from newly-created Scottish merchant banks and branches of London-based banks. The Bank of Nova Scotia, established in Scotland since 1963 and now with three branches, has been joined by four U.S. and two French banks in the last few years, no doubt partly as a result of North Sea oil development. National Westminster, the only one of the London "Big Four" without a Scottish associate (Barclays has a stake in the Bank of Scotland, Lloyds in National and Commercial, and Midland, as already indicated, owns Clydesdale) has set up an office in Edinburgh, to be followed by one in Glasgow.

Several London merchant banks, including Hill Samuel, Singer and Friedlander, the Charterhouse group and Slater Walker have branches in Scotland.

Brandt's has taken over the Glasgow-based British Bank of Commerce; Bates has a strong, though diminishing Scottish connection; and three smaller but very active native merchant banks, Noble Grossart, the James Finlay Corporation and Dalscot, are providing additional competition in the non-clearing activities of the Scottish Three, including the North Sea business.

But the banks' lending policy in Scotland has been changing, not only because of the North Sea involvement but because of Scotland's changing economic structure. Since the war, multinationals, including U.K. ones, have increasingly become part of the Scottish industrial scene. This has often resulted, particularly in the case of U.K. concerns absorbing Scottish companies, in banking business being lost to London-based clearers or merchant banks. The share of manufacturing and other industry within the total advances has consequently tended to fall and those of services and finance to increase. The comparison with advances by the London clearers is also instructive.

Incentives

The multinational enterprises, and others, of course, enjoy regional incentives such as development grants, selective loans, the Regional Employment Premium, training grants, etc., all of which would tend to reduce demand for funds by commercial financial institutions. To these incentives will soon be added funds available at the new Scottish Development Agency.

The advances to overseas residents, though not very high in global terms or even in proportion to the total, are significant as they have risen to £151.3m. from as low as £29m. at the beginning of 1974 and £56.9m. in December 1974. By far the greatest part of these advances was in foreign currency; again a direct result of increased overseas business activity in Scotland attributable to North Sea oil.

The banks' involvement in the North Sea is likely to expand further, particularly if Scottish industry succeeds in claiming a bigger share of the supplies and services sector than the present 25 per cent. or so. Equally, their international ramifications are also to grow with expertise in offshore oil financing, not only in the North Sea but throughout the world.

Andrew Hargrave

TOTAL ADVANCES

	London Clearing Banks Nov. 1971	Nov. 1973	Nov. 1974	Scottish Clearing Banks Nov. 1971	Nov. 1973	Nov. 1974
Manufacturing	36.5	33.5	37.6	34.2	26.6	32.4
Other production	15.1	14.6	14.4	19.2	14.1	15.7
Personal	18.0	21.0	17.1	12.0	15.6	13.4
Services	21.8	15.7	18.5	25.8	24.8	22.6
Property and other financial	8.6	12.2	12.4	8.8	19.9	15.9

* Source: Wood, Mackenzie and Co., Edinburgh and London.

...and for the other investors

IS true to say that much the Scottish expansion in rchant banking activity preed the first confirmed oil coveries in 1969: and that se had no major effect on bulk of established institunal finance, including investnt and unit trusts, pension ıds, insurance companies and ıd managers in general.

One can even detect signs of sening interest. The recent hdrawal of Edward Bates, extensively reshaped merınt bank, from the operation-management of North Sea sets (NSA), the £20m. investınt company set up to finance shore supplies and services, s, of course, been largely due changes in its ownership ucture and interests.

Bates was floated three years o by the Edinburgh investent trust, Atlantic Assets, ıich at the time held almost e-third of the equity. A disasous foray into insurance and ary losses on property loans d to a £15.2m. loss in 1974-75 ıd the entry of a Middle East ıainly Saudi Arabian) group the biggest shareholder, with ı option to own up to 40 per nt. of the total equity. This s set up conflicting interests hence the bank's departure om NSA.

Trouble

Atlantic Assets itself has eadaches with about a quarter f its portfolio tied up in Haw ar, the Far Eastern group in hich it bought a 12.3 per cent. hare from Slater Walker ecurities last year and which s now the subject of an official ıquiry in Singapore.

The affair was a factor in Mr. ım Slater's withdrawal from WS. The Eastern problems ere also the background to he resignation of Mr. James ammell, chairman of fund ıanagers Ivory and Sime, from the chairmanship of Haw Par. Mr. Gammell has also given up the chairmanship of Bates.

The operational management of North Sea Assets which has so far invested £14.5m. in oil-related industry and services is now solely with Noble Grossart, a merchant bank set up early in 1969. Noble Grossart, a profitable though smallish bank (total assets £17.7m. in January this year) has also launched two small companies involved in the finance of exploration blocks (one has a share in a recent find with commercial prospects), as has Bates.

Involvement

Nevertheless, Mr. Angus Grossart, Managing Director of the bank, puts its direct involvement in North Sea business at no more than 40 per cent. The bank's contacts in the Middle East were spectacularly proven last year when it advised the Kuwait Investment Office on the £107m. purchase of St. Martins Property in London. Within the last month, the bank joined forces with Samuel Montagu to underwrite a rights issue for oil servicing and drilling group Berry Wiggins to raise £2.6m.

The other Scottish-based merchant banks are only on the fringes of the oil business. The downfall of the Glasgow-based British Bank of Commerce last year, with its deposits plummeting from almost £50m. to £14m. and resulting in a takeover by the National and Grindlay's-owned Brandt's, was due, in part, to the collapse of the property boom.

The same crisis of secondary banks led Dalton Barton to abandon its Scottish foothold: To-day Dalscot, its merchant banking arm renamed McNeill Pearson, and now independent, is a much more modest operation, increasingly geared to investment banking.

The James Finlay Corporation, just two years old, is a subsidiary of the Glasgow-based industrial holding group in which SWS has a 27 per cent. share. The merchant bank, with assets roughly equal to Noble Grossart, has also set up an oil-related investment company: its initial capital is only £1m., though the approved capital of £18m. suggests scope for expansion.

Through the nature of their business, Scotland's other institutional sources were having to view the oil "bonanza" with caution—some say with too much caution. Although Atlantic Assets is an unusual trust in the sense that around half of its total portfolio value is in three major investments—the unit trust group Save and Prosper, Bates, the latter's former U.S. subsidiary, Bates Oil Corporation, and Haw Par—and has burnt its fingers in distant parts, the example was hardly calculated to encourage other trusts to concentrate their resources in any one field.

Scottish investment trusts own about one-third of the total assets of the whole of the U.K. trust sector and, if anything, their policies tend to favour even more overseas investment. Faith in the U.S. economy and equity market is abiding, certainly outweighing such confidence as they have in a U.K. recovery, with portfolios generally displaying a continuing preference for U.S. stock. There seems to be also a small but perceptible movement towards European stock, to strengthen the trusts' capital base rather than the profit yield.

Of the other institutional investors, the insurance sector is strongly represented in Scotland. Apart from one of the leading U.K. "composite" insurance companies—General Accident of Perth—four of the six largest "mutual" life associations in the U.K. have their headquarters in Scotland and so have three of the major pension funds.

There certainly is evidence of strong interest in North Sea operations, such as including the funding in part of two substantial investment companies, LSMO and SCOT active in the Ninian Field, as well as involvement in the purely Scottish-based investment initiatives, such as North Sea Assets and the various exploration groups.

Concern

Nevertheless, the overriding concern for the funds of the policyholders (who, in the case of the "mutuals" actually own the life associations concerned) places heavy emphasis on safety, such as fixed-interest securities (including gilts), unspeculative property and dollar premium-supported U.S. equity. The guidelines for pension fund managers are not altogether different. The North Sea is regarded by many as a hazardous operation and not only physically; its funding a group effort in which safety must be in numbers and investment in proportionate resources.

Another recent aspect of the Scottish financial scene has been the reorganisation of nearly a score of trustee savings banks into only four regionally based institutions. It arises from the recommendations of the Page Committee, one of which is the right to provide personal loans. As last year the Scottish sector commanded funds of nearly £720m., or almost 18 per cent. of the U.K. trustee banks' total assets, competition in the area of personal credit, hitherto the preserve of the banks and finance companies, is bound to intensify.

Andrew Hargrave

New towns still in good spirit

THROUGH a combination of circumstances, including the economic recession, cuts in the housing programme and a few spectacular failures in the building industry, the progress of Scotland's new towns has slowed down somewhat in the past year. There have been losses of jobs, too, in some: though it should also be added that on the whole the new towns seem to have weathered the economic blizzard a good deal better than most of the rest of Scotland, or indeed the U.K.

The unique advantages of young populations, the availability of decent houses for incomers, instant factory space for prospective industrialists, good access to the major communications network by road, rail, sea and air still hold good. At the same time, no more new towns are likely to be added to the existing six, the oldest of which is East Kilbride—with a population of 73,000 and the sixth largest town in Scotland—and the newest, Stonehouse, which has got off the ground as an adjunct to East Kilbride.

The first four new towns, set up between 1947 and 1962, were all built around or astride picturesque old villages. They were conceived (except for the "miners' town" of Glenrothes, in Fife) as centres of overspill population from Glasgow and, to a lesser extent, Edinburgh, and industrial "growth points" to review unemployment in the central belt of Scotland. East Kilbride, Cumbernauld, Livingston and now also Glenrothes (as a result of the flop of the nearby Rothes pit and the general decline in the mining industry of Fife) come into this category.

Irvine, designated in the late 1960s, already showed a departure from the pattern, partly because it is being built around two existing small towns and a number of villages and hamlets, giving it an initial population of over 30,000; and partly because of its location on the coast with a potential of developing into a leisure as well as an industrial centre.

Stonehouse, based on three Lanarkshire villages with a combined population of over 7,000, is no longer expected to accommodate Glasgow overspill, or act as an industrial magnet. Its function is a strictly localised one of supporting social and physical revival in a hitherto rather neglected area of Scotland and possibly also of a relief facility to East Kilbride, with which it shares a development corporation.

Change

One argument against further new "green field" towns is the change in the administrative pattern in Scotland. Before the reorganisation of local government this year, the new towns with their strong Government financial backing, comparative immunity from local pressures, high-grade management and labour and the ability to roam far and wide in search of industrial and commercial growth, had enjoyed built-in advantages over the numerous county, town and district councils which surrounded them.

Now the new regional councils—the huge Strathclyde in the case of East Kilbride-Stonehouse, Cumbernauld and Irvine, and Lothian in the case of Livingston—are responsible for the overall planning of large areas of Scotland of which the new towns are important but relatively small segments. Only Fife is unchanged: and there Glenrothes' significance is recognised by its choice as the new regional headquarters.

Up to April, 1975, more than £300m. had been spent on the Scottish new towns, with only two—East Kilbride and Cumbernauld—showing a surplus. Public expenditure is likely to be under close scrutiny throughout the U.K. for many years to come. But while the new towns have certainly played a significant role in arresting decline in areas threatened with dereliction as well as contributing to industrial diversification and a general boost of morale, other methods are likely to be sought to achieve a similar purpose, without having to create entirely new infrastructures.

Up to now the new towns have been spearheading the campaign to attract industry from abroad, in co-operation with or in parallel to the Scottish Council (Development and Industry), the Scottish CBI, the chambers of commerce and the now defunct older local authorities. The new towns have even set up their own office in London to handle and initiate inquiries, both from elsewhere in the U.K. and abroad.

The new Scottish Development Agency will affect their activities in at least three ways. SDA will itself intervene in industrial development by loans, grants and equity participation and to that extent become a significant new channel of investment in Scotland. It may, by taking over the Scottish Industrial Estates Corporation, (which was officially precluded from competing with the English and Welsh corporations for tenants), provide additional competition to the new towns. Finally, its environmental improvement powers, to be taken over from the regional authorities as well as the new towns, may prevent the latter from pursuing their own specific aims in land acquisition.

Projections

These are possible projections for the future. For the present, the 1974/75 reports of the new towns which were published last month still reflect buoyant spirits in spite of job losses. East Kilbride has since reported a net gain of nearly 1,000 jobs in April-September, thus more than making up for the loss of 907 jobs (almost entirely female) in the financial year: Glenrothes, down by 570 jobs, will certainly gain substantially by acquiring the Fife regional headquarters, though the effect of run-down at the GEC plant is yet to show.

All the other new towns reported job gains—Cumbernauld over 700, Irvine over 650 and Livingston 220—in 1974/5.

Both Irvine and Livingston emphasise the significance of oil-related industry in the creation of new jobs. East Kilbride, too, claims several oil-related companies among the 370 or so accommodated in the new town.

Livingston, with its close association with the two Edinburgh universities and a "campus" site for science-based industry, is now fulfilling a similar role in the eastern half of the Scottish central belt as East Kilbride which accommodates the National Engineering Laboratory and the computer centre shared by six universities (including Belfast), in the West.

The character of the new towns is changing too. From the original almost exclusively tenant settlements, owner occupation is growing through the building of private houses and the sale of rented property. Nevertheless, there is some way to go yet to achieve the proposed private sector share of about 25 per cent., though this proportion has risen to 17 per cent. in East Kilbride and over 15 per cent. in Cumbernauld. Livingston, among others, is selling individual plots too, to people prepared to build their own homes.

Andrew Hargrave

Big N. Sea gas terminal

THE FLOW of major new supplies of natural gas from fields in the northern North Sea is not due to begin for nearly two years but Scotland is already enjoying the benefits of a £350m. construction programme designed to prepare the national transmission network for this event.

The focal point of the scheme is the massive terminal being built for the British Gas Corporation at St. Fergus on the Grampian coastline where subsea pipelines will deliver supplies from the giant Frigg gas find which are being shared between Britain and Norway. The site, which is also likely to be the landing point for supplies of associated gas from the Brent oilfield under the contract signed recently between Shell/Esso and the Gas Corporation, will be linked to the U.K. distribution network by at least three 36-inch lines running south.

Like most offshore operations, the seaward part of the Frigg project has been beset by difficulties and delays and the operating companies were forced recently to put back the anticipated starting date from 1976 to the following year. But despite the difficult terrain which the land lines have to cross the project and the St. Fergus terminal should be completed on schedule. This will provide the infrastructure to produce a drastic change in Scotland's relative position within the Gas Corporation's regional framework.

At present two-thirds of the gas available for sale in Scotland is from natural sources but drawn from the gas fields in the southern sector of the North Sea. But by the time the Frigg and Brent schemes are fully operational about a third of the U.K.'s total natural gas should be flowing through the new Scottish pipeline system.

A small added bonus — not likely to be more than 10m. cubic feet a day—will be provided by British Petroleum when their Forties oilfield scheme reaches peak production. A separation unit at the company's Grangemouth refinery will extract the gas from the oil for delivery to the local grid under an agreement reached recently.

Supplies

The plans made by the Gas Corporation to transport the new offshore supplies will have the spin-off effect of enabling certain areas of the country to receive natural gas some years ahead of the conversion programme which might otherwise have been implemented.

Aberdeen, Inverness and Dumfries at present have their individual local networks supplying surrounding districts with town gas produced from oil. But it is intended by 1977 to have the three centres converted to natural gas which should have the effect of further reducing Britain's oil import costs.

But not all Scottish communities can look forward to receiving direct supplies of gas from the northern offshore fields. A number of remoter places will continue to have liquefied supplies delivered by road and ferry as happens at present in places like Dunoun, Oban, Stranraer, Moffat and Dingwall.

The Gas Corporation's Scottish area is also the only remaining district still to burn coal—they used some 28,400 tons last year in five small works with horizontal torts—and research work is taking place at Westfield in Fife into the production of substitute natural gas from coal.

Reserves

While the Corporation believe the reserves of natural gas around the U.K. shores will cover the country's requirements into the next century, interest in alternative means of obtaining lean gas is bound to intensify as naturally occurring supplies become depleted. The development work taking place at Westfield is of more immediate relevance to the United States, where natural gas supplies are already dwindling, and American interests are co-operating and helping to sponsor the research programme which has already shown that technological problems in this new type of coal gasification can be overcome.

In common with other fuel costs, gas tariffs have increased steeply over the last few years. Scotland was in the past a high-cost gas area where at the end of the last financial year domestic consumers were paying on average 14.6p per therm compared with 12.5p in the North Thames area and 9.9p in the East Midlands.

But the Gas Corporation are now engaged in a converging of tariff rates throughout the country which will be achieved by imposing lower increases on Scottish rates in future price revisions. When new tariffs were introduced on October 1, the average additional charge to Scottish domestic customers was in the range of 16 per cent., compared with average increases of about 20 per cent. for Britain as a whole.

By a Correspondent

How the chill went from farming's winter

By JOHN CHERRINGTON, Agriculture Correspondent

...the first time in 18 months ...ain's farmers have good ...on to be happy. Men who ...so long ago were showing ...tancy about threatened hard ...s are now taking stock of ...progress in recent months; ...generally the answers are ...uraging. Even if some of ...underlying problems which ...pted the distress calls of ...recent past remain, confi...e and a degree of stability ...returned to farming in ...st all areas of activity—and ...just in time to avoid a ...tition of last winter's finan... disasters.

...stead of falling further, as ...were prophesying, milk ...ut in England and Wales is ...rising, and there seems no ...er that the liquid milk ...tet will be short of supplies ...e turn of the year, as fore... only a few months ago. ...he same time farmers are ...ng more for replacement ... The price of in-calf dairy ...rs at the main markets has ...by about 30 per cent. in ...ast two months and is get... near the level reached in

...evaluations

...iry farmers have had the ...ntage of two devaluations ...he Green Pound and a ...al payment in September, ...this winter's milk price of ...sic 39p a gallon is better ...any of them hoped for, ...had; indeed, previously ...rienced, a few months ago. ...farmers' position has been ...er reinforced by an extra... ...ary rise in the price of ...s. Thanks largely to sub... ...ial exports to France, the ...has doubled since the ...ning of September and is ...y three times what it was ...ar ago.

...addition the market price for cull cows (cows discarded from the dairy herd and sold for beef) has remained very firm, which means that the depreciation on a milking cow has been very much reduced. Indeed, part of the increase in the price of young cows and heifers in milk is undoubtedly caused by the fact that a farmer can sell his barren cows and replace at very nearly the same money. This high price also encourages farmers who have self-contained herds to cull as heavily as they can to replace with their own reared replacements and to feed their remaining cows to the limit to achieve a high return.

Vital factor

The weather has also been a vital factor. At the end of August, many farmers saw no hope of getting through the winter with the stocks of fodder they had on hand. Now, however, there have been ten weeks of the best autumn growing weather many have ever known. Large quantities of silage have been made and cows are still grazing pastures full of grass long after a time when they would normally have been moved indoors because the land was too wet to carry them or because the grass had run out.

Although winter fodder supplies are still less than required for safety in a long cold winter, the position is immeasurably better than it was a few weeks ago. The well publicised straw lift during the harvest, too, has at least made sure that farmers have enough to keep their stock from starving—as happened in some cases last winter.

In addition, the cost of concentrate feeding stuffs has not risen as substantially as had been feared, although prices are higher than in the summer.

Farming at its most traditional: an almost vanished scene. To-day investment in the implements and machinery needed to work the land is at a high level, helped by recent Budget concessions. But there is no evidence of investment in more production.

This is because the general level of world prices for grains, although substantially higher than six months ago, has been weak and is still tending to fall, even though the U.K. harvest was probably at least 2m. tons down. Paradoxically, the Green Pound devaluation, so ardently pressed for by farmers, will probably prevent EEC grain prices, to which the U.K. levels are tied, from falling much further.

The high target prices for beef announced for next spring and the operation of the variable beef premium over the past months have restored some stability to this side of the industry, too. Beef fatteners are optimistic, and young cattle from the hills and elsewhere have been selling at two or three times the prices which had to be accepted last year.

Though still less than the hill farmers claim they need for survival, these high prices have given them a lot more heart, and the sales of replacement breeding stock have shown, by their greatly increased price levels, that they have not lost all hope yet.

There is no doubt that the overstocking of certain districts, particularly the West of England and Wales, has been reduced, and farmers are in a much better position to carry on with reduced numbers. The real extent of this destocking will not become fully apparent until the full June census is published next year. But the greatly increased slaughterings of cows, fat cattle and calves evident in the past few months are bound to have had an effect.

This trend will do nothing but good as far as farmers are concerned. The over-stocking was the result of an extraordinary euphoria during and after EEC entry, and was based on nothing more than the uninformed statements of politicians and farmers' leaders that expansion was patriotic and profitable in a Common Market context even though it was clear that stocking either a farm or a country with more cattle than could be carried with the resources available was the very height of folly.

Disappointing

Although the harvest both of grain and sugar beet has been disappointing over much of the country, arable farmers in general are fairly well placed. Potato prices have been very good indeed. While grain prices have fallen markedly since just after harvest, they are unlikely to go down to the levels reached last spring when the bottom dropped out of the market.

The autumn has been one of the best for field work ever. In most parts of the country, sowings of winter wheat and barley are probably a record. The previous 12 months had been among the worst ever for arable farming in Southern England, with excessive moisture early on making cultivation extremely difficult, while spring was late and the summer very dry. Although the harvest was disappointing in yield, it was easy to gather and needed little drying. It is, of course, far too early to forecast next year's harvest (as the U.S. Department of Agriculture does at this stage) but the arable farming year has started very well indeed.

Pigs are booming at the moment, but only because the margins during 1974, in spite of a special injection of 50p per score, were so bad that herds were considerably reduced. Slaughterings are now running at a level about 20 per cent. lower than they were last year, while prices are nearly 30 per cent. up.

None the less, it would be wrong to infer from this that the complaints of a few weeks ago have been miraculously cured by a couple of months' fine weather and the provision of a few million pounds more in cash. As the recent ICI report on the recorded farms has shown, incomes in real terms have not kept up with inflation. What has happened is that the position of the established farmer has been consolidated, and he is showing a certain amount of self-satisfaction. But the anxieties of a minority who decided to go in for expansion in various ways still remain, and may, indeed, be further aggravated by the apparent prosperity of the majority.

Thus, there are heartrending stories of farmers who have tried to expand in land and stocking with the aid of heavy borrowings and are being destroyed by the high interest rates at present ruling. But, in some of these cases at least, even if interest rates were reduced to the 6 or 7 per cent. of a few years ago, the prospects would have been extremely shaky. It is easy to write off these farmers as a minority who had made a commercial error of judgment, but they are not entirely to blame. The banks and other lending agencies deserve a measure of responsibility for having lent their clients the money when they should, in any sensible assessment of the situation, have said no.

It is fashionable among farmers to say that there are no signs of investment or expansion because of the uncertainties of prices and politics. This statement needs qualification. There is plenty of investment in the implements and machinery needed to work the land, helped by the overdue provisions for 100 per cent. write-off allowed in recent Budgets (though this is short term). There is, however, no evidence of investment in more production, new cow sheds, new piggeries and poultry houses and so on. The 40 per cent. grant which encouraged many of these schemes has now been cut to 20 per cent., and many farmers are finding interest charges, even on the grant-aided improvements they made in the past, an almost impossible burden. Unless the Government, at the least, makes a convincing case for expansion backed by cash incentives, it is unlikely to happen for a while.

Wealth tax

In any case, farmers want more from the Government than short term cash incentives to create a climate for expansion. Most farmers with more than a couple of hundred acres of land now realise that they will be unable to pass it on to their families without swingeing payments for capital transfer and wealth taxes. Those affected—and they are the majority responsible for production—also fear that they are to lose the tied cottages in which many of their men live.

They may be wrong in their anxieties. CTT and Wealth Tax may be mitigated one way or another. Many farmers are hopeful that the Country Landowners Association and the National Farmers Union may secure more important concessions which would avoid the need for the dismemberment of farms. The tied cottage issue may be solved in a manner which would not make it impossible to continue large scale livestock farming. But until these uncertainties are resolved, expansion seems a remote possibility.

Letters to the Editor

...ndustrial ...emocracy

...Mr. P. Ireson.

...—Mr. C. Gordon Tether's ...le (November 7) was a use... ...ontribution to the debate on ...strial democracy. The goal ...shareholding democracy ...well be more practical than ...ing for "management par... ...ation." There is little evi... ...e in society as a whole that ...mass of people are interested ...aring in the decision-making ...ss, although equally I get ...mpression that share issues ...mployees have not made ...impact.

...Mr. Tether ignores—as the ...c debate on this issue con... ...lly ignores—perhaps the ...vital ingredient of any ...cratic society, namely the ...flow of information and ...the challenge and response ...is part of the public account... ...by the decision-makers to ...whose lives they control. ...the nation as a whole this ...place in Parliament and ...council debates, in election ...aigns and in a variety of ...forums. National and local ..., radio and TV also have a ...role to play. It is incon... ...ble that we could remain ...sonably healthy democratic ...m without the media.

...d yet this is apparently ...we expect of industrial ...ocracy. The structure of in... ...y may or may not lend ...readily to debate through ...ed assemblies—but there is ...lutely no reason why news... ...rs and other media should ...play a part in our working ...that more nearly corre... ...ds to their role in our lives ...itizens. True, this requires ...agements that have the ...age to face up to challenge ...the confidence to speak ...ly of what they are doing. ...if they have these qualities ...have little to fear. Those ...rprises, such as the John ...is Partnership, that have ...ted an open society of this ...have clearly prospered in ...process and would not dream ...bandoning it.

...hy should we expect men ...women who live away from ...with a constant flow of ...ld, national and local news ...ive their working lives in an ...rmation vacuum. As em... ...ees, most of them get no ...e than an inadequate ...thly house journal — many ...not even get that — a few ...ouncements on the notice ...rds and the distortions of the ...evine.

...ould it not be sensible to ...to get this right first — an ...olutely fundamental commu... ...service — and see where ...leads us? My guess is that ...ndustry was served by really ...fessional weekly newspapers ...vigorous responsible jour... ...sm was allowed to contribute ...ething to industrial life. ...ch of the heat would go out ...the industrial democracy ...te

...er Ireson.
...Hurlingham Gardens, S.W.6.

...lectoral ...eform

...m Mr. M. Gayford

...ir,—In the Panorama pro... ...mme on devolution on ...nday it was clearly stated that ...increase in the Scottish ...tionalist vote from 30 per ... to 39 per cent. could give ...a majority of Scottish seats ...Westminster. The Scottish ...nalist spokesman said they ...d accept that situation as ...grounds for independence. ...ally here is proof to even ...most obstinate of the ...dity of our electoral system. ...Scotland could declare UDI against the wishes of 61 per cent. of the voters who did not vote Scottish Nationalist.

If the Tory and Socialist parties continue with their objections to proportional representation they will have to take the responsibility if the U.K. breaks up as a result. Liberals established northern and southern Ireland with a proportional representation system but the Unionists abolished it in Northern Ireland in 1929 with the results which daily appal us.

Voters should not stand by and watch a repeat of an electoral charade which could bring the whole kingdom into chaos.

Michael Gayford,
Prospective Liberal
Parliamentary Candidate,
Wirral.
"Periwinkle," Meols Drive,
West Kirby, Wirral.

Consultancy for small firms

From The Executive Director, Management Consultants Association.

Sir,—While Mr. Davidson makes some valid points (November 12) about Government subsidies of consulting assignments for small firms, his assertion that the MCA is to consultants what the AA would be to qualified bus drivers is nothing short of absurd. The MCA does not claim that all "illustrious practitioners" are members, but it does claim that its stringent membership requirements mean that clients using the services of members can be assured of dealing with highly professional, competent and reputable firms.

R. J. McGarel-Groves.
23-24, Cromwell Place, S.W.7.

Re-use of packaging

From The President, The British Paper Bag Federation.

Sir,—I was interested to read the feature on re-use of packaging materials by Lucia van der Post (November 15). Although Miss van der Post concentrated on the more expensive luxury end of the market I hope that you will understand that I cannot resist the opportunity of pointing out that one of the oldest, least expensive and most basic forms of packaging can be re-used, and in fact a major proportion of those which are being used to-day are already made from recycled paper. I refer, of course, to the paper bag.

It was good that Miss van der Post pointed out to readers the desirability of re-using packaging products; we have just embarked upon a campaign to tell housewives, consumer groups and retailers about the environmental advantages of paper bags because of their ability to be recycled.

Brian Chadwick.
35, New Bridge Street, E.C.4.

Inflation taxing

From The Financial Director, Dexion-Comino International.

Sir,—Mr. Donert (November 13) suggests scathingly that the stock appreciation profits of the oil companies should be regarded as distributable and subjected to tax. This might be a reasonable argument if the oil companies increased stocks to an artificially high level before the OPEC price rise; is he intending to imply that this was the case?

If they did not, then his suggestion has no merit. A "stock appreciation profit" is an increase in the *cost* of stocks. For a normal level of stocks, the profit realised by selling after a cost increase (at increased prices) those stocks purchased before it is needed to cover the extra cost of replacing the stocks. It is surely obvious that this "profit" cannot be regarded as distributable by a responsible company which wishes to continue in business, and even a Labour Chancellor accepted the principle that it should not be taxed.

Would Mr. Donert argue also that the house-owner should be taxed on the increase in the value of his house in a year of inflation? If not, why not?

B. A. Cole.
Dexion House,
P.O. Box 7, Empire Way,
Wembley, Middlesex.

The supply of engineers

From Professor B. Hundy.

Sir,—Michael Dixon's comments (November 10) on the current paradoxical situation with respect to engineers in industry are particularly appropriate in view of the Chequers talks and the need to revitalise our manufacturing industry.

As well as capital and good management, first rate engineers will be needed. At present there are nowhere near enough and the present rewards in industry cannot be expected to attract top class men. At this time any good engineer or technologist will be sensible if he takes an MBA to enable him to move over into general management, marketing, financial control, etc. where the rewards are so much higher—particularly in the non-manufacturing industry.

We badly need more and better engineers and industry should be prepared to pay rates which will be attractive. I agree that many first degree courses do not produce engineers or technologists able to work really successfully in industry. I am not sure we should expect them to in three years straight from school as most professional training in other countries is for a longer period than this. Given a good basic training in his first degree followed by some industrial experience then an intensive post graduate course could produce the type of man needed in our industry of to-morrow.

Unless industry is prepared to pay well for these men, however, they will not appear. If, on the other hand, some industrial firms were prepared to offer really attractive salaries, to give real responsibility in the job and to help with selection and some training, then I for one would be prepared to guarantee producing the right product.

B. B. Hundy.
Cranfield Institute of Technology.
School of Automotive Studies,
Cranfield, Bedford.

Inverted fuel tariffs

Fom the Chairman, Structural Insulation Association

Sir,—The importance of energy saving strategies has been shown no more clearly than in the report last September of the Parliamentary Select Committee on Science and Technology in which the recommendations offer a return which could be at least as important as that of North Sea Oil.

Many of the suggested measures can be implemented only through direct Government involvement by way of legislation and financial incentives but much can also be achieved by influencing the nationalised fuel interests to adopt policies based on good housekeeping and good sense. In this area the question of pricing policy must be first for critical examination. Inefficient use of fuel must blossom under policies which reduce prices for increased consumption. Fuel savings are deducted at the top end of the consumption and at the lowest rate earned. The incentive to save is very much reduced than if the reverse were applicable.

The reduction of selling prices in line with increased quantity is a standard marketing principle but it is viable only where corresponding reduction in unit costs are possible. In the nationalised fuel industries this is unlikely to be true except in the electricity industry and in off-peak hours.

Is it not time for these industries to consider seriously the idea of inverted tariffs where the lowest rates would apply to the lower levels of consumption? The incentive to save fuel could be enormous and there would be some very beneficial spin-off in relation to the cost of living of old age pensioners and other low income groups.

J. Lowis.
Audley House,
9, Margaret Street, W.1.

Unaware of a takeover

From Mr. B. Ford.

Sir,—I read with interest the item in "Men and Matters" (November 13) regarding the advertisements by the legal profession in the Leeds area.

I am glad to see that one of the initiators of the campaign says that it is nonsense to suggest that they are in any way attempting to take work away from accountants, but I wonder if he has read the Law Society's folder entitled "If you have tax to pay . . . see a solicitor." This details the expertise of the solicitor in dealing with all matters of income-tax, capital transfer tax, capital gains tax, VAT, etc., and comes to the conclusion that "The best way to pay the least tax . . . see a solicitor." I begin to wonder whether there is a takeover bid being made about which the Institute of Chartered Accountants is at present unaware.

Brian G. Ford,
18, Mabey Avenue,
Ensbury Park, Bournemouth.

Employment tax

From Mr. M. Wookey.

Sir,—Our country's economic performance since the war has been poor by comparison with other countries and the decline continues. The reasons for this are many and they are complex. There is, however one factor which I believe transcends all others and that is the imposition of direct taxation; it acts as a break on incentive and hard work, debases success and perhaps, most important of all, it destroys confidence. As a result we have become individually weaker and less self-reliant.

If high taxation is undesirable what if anything can be done about it in our country which is committed to high and growing public expenditure? Reductions in public expenditure are easy to postulate but difficult to implement: we must, I think, start from the premise that the demands on the public purse will not diminish significantly in the future. If this is so can nothing be done?

If the level of revenue required by the Government remains the same then taxes to that figure have to be collected, but perhaps a different approach might produce the revenue without the undesirable consequences.

Suppose instead of employees paying income tax, the employer was made responsible for paying a tax; say an "Employment Tax" expressed as a percentage of the employee's pay. For example see Table A.

Assuming an imaginary organisation with employees paid as follows: 30 at £1,500; 50 at £2,000; 50 at £2,500; 50 at £4,000; 10 at £6,000; 2 at £8,000 and 1 at £10,000 the comparison would be as in Table B.

A rate of 25 per cent. might be too high or too low and in the example I have given it is slightly higher than the present tax.

The immediate result of such a system would be that employers would pay the same and employees and the Inland Revenue would receive roughly the same. Any increase in pay would result in an automatic rise in revenue, as at present, but of course it would be a fixed percentage paid by the employer.

It is simpler. It is easy and cheap to collect. No expert is needed to calculate the liability; no expert is needed to check it. Any increase earned would be kept in full by the employees thus providing an enormous incentive to work hard. Substantial reduction in paper work—no individual return of income—no claim for allowances. The assessment to Employment Tax payable by a partnership or by a sole principal would be calculated in the same way as if the principals were employees and the tax would be levied on the firm.

An incentive to work harder, to be more enterprising and enthusiastic has never been more needed by us all from the lowest to the highest paid. We can lose little by trying something new and we could have much to gain.

M. J. Wookey.
5, Robin Hill Drive,
Camberley,
Surrey.

Table A

	Present System		Employment Tax System	
Gross Pay	Tax	Net Pay	Pay	Tax at 25%
1,500	41	1,459	1,459	365
2,000	216	1,784	1,784	446
2,500	391	2,109	2,109	527
4,000	916	3,084	3,084	771
6,000	1,622	4,378	4,378	1,094
8,000	2,534	5,466	5,466	1,366
10,000	3,645	6,355	6,355	1,589

Table B

Present System		
Gross Pay £556,000	Tax £102,313	Total £556,000
Employment Tax System		
Net Pay £453,687	Tax £113,421	Total £567,108

To-day's Events

GENERAL
The Queen will formally open a new session of Parliament at 11.30 a.m. Both Houses will then debate proposed legislation outlined in the Queen's Speech.
Prince of Wales attends Printers' Charitable Corporation dinner, Connaught Rooms, W.C.2.
President Nyerere of Tanzania attends banquet given in his honour by Lord Mayor and Corporation of City of London, Guildhall, E.C.2.
CBI Council meets, London.
President Leone of Italy on State visit to Soviet Union.
Mr. Joshua Nkomo, president, African National Council, continues tour of African countries to report progress of recent talks with Mr. Ian Smith, Rhodesian Premier.

International Coffee Council session continues, London.

OFFICIAL STATISTICS
Basic rates of wages and normal weekly hours (end-October).
Monthly index of average earnings (September).

COMPANY RESULTS
J. H. Fenner and Co. (Holdings) (full-year).
John Folkes Hefo (half-year).
Plantation Holdings (half-year).
F. W. Woolworth (third-quarter).

COMPANY MEETINGS
Countryside Properties, Winchester House, E.C., 11.
Duckwari's Tea and Rubber Estates, Southend-on-Sea, 2.30.
Scholes (George H.), Manchester, 12

OPERA
Royal Opera production of Un ballo in maschera, Covent Garden, W.C.2, 7.30 p.m.
English National Opera production of the Merry Widow, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET
London Contemporary Dance Theatre performs Stabat Mater, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC
BBC Symphony Orchestra, BBC Singers and Choral Society (conductor Colin Davis) perform Stravinsky (Ballet, Apollon, Symphony of Psalms) and Beethoven (Mass in C). Royal Festival Hall, S.E.1, 8 p.m.

COMPANY NEWS + COMMENT

London & Northern up £1.45m. so far

FIRST HALF 1975 turnover of London and Northern Group expanded from £84.59m. to £122.65m. and pre-tax profits advanced from £3.46m. to £4.91m. after interest of £0.75m. (£0.78m.).

The interim dividend is held at 1.25p net per 25p share. Last year's total was 3.25p from pre-tax profits of £8.25m.

The directors say the considerable improvement was mainly due to improved performance by the construction companies, and they continue to expect a satisfactory growth for the year 1975 as a whole.

First half tax took £2.61m. (£1.8m.) and minorities £0.48m. (£0.31m.) leaving the attributable balance up from £1.35m. to £1.82m.

● comment

London and Northern's profits are rising and the group's borrowings are coming down—but the shares were unmoved at 48½p yesterday. Profits are 42 per cent. ahead pre-tax, with loss elimination playing a key role but useful growth elsewhere, notably in building materials and contracting. Overall, L and N reckons it can come up with solid growth despite a poor performance in scrap; and if £10m. pre-tax is on the cards, cover for the historic 10½ per cent. yield rises to 2.2 times. But L and N is still not able to take much of the strain off its balance sheet. Debt is going to fall by about a tenth to a net £36m. by the year end, which is roughly £11m. more than tangible shareholders funds at December 1974.

Rexmore lower at half-time

IN THE six months ended September 30, 1975, profits of Rexmore fell from £718,267 to £543,243, on a turnover marginally higher at £17.36m., compared with £16.89m.

In his annual statement in July chairman Mr. A. Rosenblatt told members that, in view of the considerable reorganisation programme, he was confident that profits for 1975-76 would exceed the £1.19m. achieved in the previous year. The year had got off to a good start, he said.

The directors report that the programme of stock reduction has continued according to plan.

First half earnings per 25p share are stated at 2.49p (3.54p). The net interim dividend is held at 1.1025p—the previous total was 3.6025p. The interim dividend has been waived by directors and certain substantial family shareholders.

Due to unfavourable sterling exchange rates during the period, a sum of £65,000 has been charged before arriving at the pre-tax profit.

	First half 1975-76 £	1974-75 £
Turnover	17,361,000	16,894,000
Profit	543,243	718,267
Taxation	282,486	373,509
Net profit	260,757	344,778
Minorities	51,477	46,095
Retained	137,901	208,737

The group's business is that of converters of textile and PVC products etc.

● comment

A first-half turnround to losses by the warp knitting division must have dampened Rexmore's hopes of achieving any significant recovery in 1975-76. This has effectively wiped out the benefit of a substantial loss reduction at the household textiles division and left the first-half pre-tax level 13 per cent. lower, after adding back exchange losses. The group should still see some improvement in the second half: it will compare with a very depressed period and the benefits from the recent re-equipment and streamlining operation—which has so far reduced the overall workforce by a fifth—should soon start to come through. However, sales volume is still in the doldrums and the group now seems unlikely to achieve any real improvement over last year's depressed £1.2m. pre-tax in the full year. The shares at 38p yielding 15 per cent. are suitably cautious.

Statement Page 28

HAT to exceed £2.62m.

PROFIT, BEFORE tax, of HAT Group for the six months ended August 31, 1975, are ahead from £1.02m. to £1.18m.; and the directors say it is more than likely that the year's result will exceed the £2.62m. of 1974-75.

The interim dividend is 0.65p net and a total at least maintained at 1.1884p is forecast.

	Six months 1975 £000	1974 £000
Turnover	23,560	20,150
Trading profit	1,190	1,040
Loan interest	12	18
Profit before tax	1,178	1,022
Taxation	423	375
Net profit	755	647
Minorities	1	3
Attributable	752	644

The group trades as specialist sub-contractors to the building industry.

● comment

HAT continues to coast through the building sector downturn with a 15 per cent. increase in interim pre-tax profits, albeit on margins a tenth lower. Acquisitions, unlike the previous year, have played little part in these results which have stemmed mainly from the group's increasingly competitive approach, backed by buoyant public sector housing conditions. Orders, with the exception of office blocks and shops, are holding up well across the range of sub-contracting activities and the downturn in Scottish merchanting interests is on the mend. Assuming pre-tax profits reach £2.8m., a fully taxed p/e of 7.2 at 30p, up 1p to a new high last night, where the maximum yield is 5.2 per cent., is a shade below sector averages.

GEI down slightly at midway

INCLUDING the recently acquired Tobenoil, first-half turnover of GEI International was £14.8m. compared with £15.39m., and pre-tax profits slightly lower at £1,173,000 against £1.19m.

The interim dividend is held at 1.187p net per 20p share on capital increased by the June 1975 two-for-seven rights issue.

The chairman Mr. T. Kenny says that if profit expectations for the full year are realised it would be the intention to pay the maximum permitted dividend total, of 3.386p. Last year's total was 3.114p from pre-tax profits of £2.96m.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Turnover	14.798	15.399	33.857
GEI	12.677	13.617	29.399
Tobenoil	2.121	1.778	4.258
Profit before tax	1.171	1.188	2.958
GEI	917	910	2.304
Tobenoil	254	278	652

The improvement in margins is mainly due to a stricter control of costs, members are told. The product-based companies achieved an increase in sales but this was offset by a decline by the steel processing companies.

There is some evidence that the de-stocking process may have eased and incoming orders for the steel companies have recently shown an upward trend, Mr. Kenny states.

GEI is a specialist engineering group. The Tobenoil companies manufacture wrapping, parcelling, labelling and filling machines.

At September 30, 1975, net tangible assets of the enlarged group were £10.55m. The working capital position remains strong with cash balances of £4.4m. and reduced overdrafts of £784,000.

● comment

A setback of 28 per cent. from GEI's steel division was nearly made good by the advance from the products side and profits from the original GEI business were held to within 3 per cent. of the comparable period. Tobenoil, taking advantage of sterling's weakness, was able to push for export growth (half of sales) and inched pre-tax profits ahead by 3½ per cent. So, overall the group is virtually all square at the interim stage, and that is probably the way it will be for the full year. Of the £3.9m. net cash balances, £2m. is earmarked for the current expansion programme to mature in the second half of 1976 in order, it judges, to take in the next upswing in the cycle. At 32p the prospective yield of 10.2 per cent. has quite an edge over the sector.

Comet peak: but slowing down now

REFLECTING the rush to beat the VAT increase in May, profit of Comet Radiovision Services expanded from £1.47m. to a record £2.26m. for the year ended August 30, 1975.

But chairman, Mr. M. J. Hollingbery, says unit sales per outlet are currently running at a lower level than the comparable period of 1974, and the outlook for the next nine months "is not good."

Cash resources, however, will enable the group to continue with its expansion programme, and he expects trade to improve again in the autumn when Comet will be well placed to take advantage of this improvement.

He points out the VAT-accelerated trade affected the remaining four months of 1974-75. It is difficult to quantify the effects of the distortion as record figures were expected in any case.

Turnover finished at £40.76m. (£48.45m.). Available profit was £1.29m. (£0.6m.) after taking in extraordinary credits £0.24m., which included the sale of the television rental business. Excluding such credits, earnings were 8.5p (5p) per 5p share, and the dividend is 2.86p (2.68p) net with a final of 1.56p. Waivers have been received covering 30.7 per cent. of the shares.

At August 30, there were net current assets of £2.3m. (liabilities £0.4m.), with cash at £3.93m. against an overdraft of £2.64m. last time. Shareholders' funds appeared at £3.36m. (£2.34m.).

In the current year it is hoped to open one more discount warehouse in the London area, thereby completing this programme. It is intended to open around 130 more satellite shops over the next three years.

Adding gas appliances to the group's range has provided valuable extra turnover. It is intended to increase sales but there is some difficulty in manufacturers meeting Comet's requirements. Should this position not rectify itself, then imported supplies will have "to be sought and these "appear readily available," comments the chairman.

● comment

The pre-VAT consumer boom had a significant impact on Comet in the second half. About three months business was handled in the two and a half weeks before the increase in VAT was imposed, leaving profits some 174 per cent. higher for an overall gain of 54 per cent. The sharp upturn in trade was reflected in a more favourable stock-to-creditors ratio and a return to a healthy net cash position. Since the mini boom, however, trading has been slack with no sign of an improvement at this stage in the current year. The strong cash position will give Comet some breathing space; but a drop in stock turn in a low margin discount operation can change the balance sheet picture overnight. In the meantime the shares at 56p yield 8 per cent., covered some three times.

Amalgamated Investment

Additional facilities to fund Amalgamated Investment and Property had now been arranged, chairman Mr. Jessel Harrison told the annual meeting.

He would give no details and said the facilities were "subject to certain conditions." The company relied on the continuing support of its bankers and other institutions.

Since the year end Amalgamated had sold a further £4.5m. of properties and had another £8m. under negotiation, reported Mr. Harrison.

Of the £66m. repayable by the company over the next five years, the meeting was told that a "comparatively small" amount fell due in the next two years.

AIP shares, which at one point last week fell from 10p to 9½, further improved yesterday to finish at 14½p, up ½p.

Powell Duffryn downturn

REFLECTING difficult conditions experienced by the shipping and timber divisions, first-half pre-tax profit of Powell Duffryn decreased from £4.62m. to £3.32m.

Other divisions, particularly engineering, produced considerably improved results.

The results incorporate a trading trading loss of £244,000 incurred by the French subsidiary, Societe Francaise d'Equipement Electrique et de Chauffage. Action has been taken to restore this company to profitability, and it is anticipated that by the start of the next financial year the business should be operating normally, says the chairman, Sir Alec Ogilvie.

There are few signs as yet of a turn-round in the depressed economic scene, and group interests in shipping and the construction industry are bound to be particularly affected by the present recession. In the circumstances, it remains unlikely that last year's record profit of £11.86m. will be achieved, says Sir Alec.

Net attributable profit for the half year is down from £2.27m. to £1.23m. The interim dividend is raised from 2.25p to 2.5p net per 50p share, costing £638,000 (£574,000). Last year's total was 6.516p.

	Half year 30th Sept. 1975 £000	1974 £000	Year 1974-75 £000
Turnover	110,708	99,707	224,004
Trading profit	3,741	5,036	12,343
Interest	424	414	725
Profit before tax	3,317	4,622	11,858
Taxation	1,808	2,305	6,281
Minorities	3	13	24
Extraordinary debit	277	*149	*390
Attributable	1,229	2,273	5,943
Pref. div.	30	30	60
Ordinary	635	574	1,662

* Credit.

● comment

Powell Duffryn's shipping and timber divisions, which accounted for 57 per cent. of trading profits in 1974-75, are now operating at profit levels below those of two years ago. This setback has been only partly relieved by a sharp increase (worth probably over £1m.) in engineering profits. Here, a firm market for pumps and compressors has supplemented both sizeable loss elimination and genuine progress at Hymac, following internal retrenchment. Hymac will make its major contribution in the second half and this, together with another solid contribution from fuel distribution and a reduction of French trading losses, could keep pre-tax profits above the £9m. mark this year. At the attributable level, thanks to a £446,000 turnround in extraordinary items, cover on the increased interim dividend has nearly halved to less than twice and the shares, at 132p yielding 8.4 per cent., may now lose some of their recent relative strength.

Caledonia Investments progress

ON A TURNOVER up from £1.48m. to £1.97m., group pre-tax profit of Caledonia Investments increased from £1.22m. to £1.33m. in the six months to September 30, 1975. The figure for the year to March 31, 1975 was £2.28m.

Stated earnings per 25p share for the half year were 4.43p against 4.45p. The interim dividend is lifted from 2.297p to 2.832p net—last year's total was 6.307p from earnings of 7.98p.

A higher charge for tax (other than tax imputed to dividends received) of £134,000 (£34,000) in respect of the half-year is attributable mainly to unrelieved losses in overseas trading subsidiaries and an increase in unfranked income.

It is considered that profit for the year attributable to Ordinary holders, assuming no worsening of conditions in relation to trading subsidiaries, will be about 10 per cent. higher than those for the previous year, it is stated.

The company has a substantial interest in British and Commonwealth Shipping.

Statement, Page 14

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Trust	2.33	Dec. 31	2.18	3.5	3.35
B. & C. Shipping ......int.	3.45	Jan. 9	2.85	—	6.94
Caledonia Investments int.	2.85	Jan. 12	2.3	—	6.31
Caroni	2.0(a)	Jan. 23	Nil	2.0	Nil
John Carr	0.99	Jan. 8	0.9	1.49	1.4
E. Chalmers ......int.	0.55	Dec. 30	0.55	—	1.08
Charter Cons. ......int.	2.5	Jan. 1	2.25	—	6.21
Comet Services	1.56	Jan. 9	1.34	2.86	2.68
GEI Intnl. ......int.	1.19†	Jan. 27	1.19	—	3.11
Gt. Portland Estates int.	1.0	Feb. 5	1.0	—	3.25
Greencoat Props.	0.13	—	Nil	0.13	0.27
H.A.T. Group ......int.	0.65	Feb. 27	—	—	1.19*
C. E. Heath ......int.	1.95	Jan. 7	1.83	—	6.1
Highlands and Lowlands Para Rubber ......int.	4(b)	Jan. 12	4.47	—	12.97
Hoveringham ......int.	0.38	Jan. 15	Nil	—	0.33
London & Northern int.	1.25	Feb. 23	1.25	—	3.25
Long & Hambly	0.84	Jan. 5	0.84	1.17	1.17
Malayan Tin Dredging ...	6.73	—	7.25	10.73	10.05
McLeod Russel	5.87	Jan. 14	5.5	5.87	5.5
Northern Amer. Trust ...	1.6	—	1.5	2.3	2.2
Northern Securities ...int.	0.7	Dec. 22	0.7	—	2.45
Oxley Printing ......int.	Nil	—	0.84	—	0.84
Powell Duffryn ......int.	2.5	Jan. 14	2.25	—	6.52
Rexmore ......int.	1.1	Jan. 15	1.1	—	3.6
Rowlinson Constrctn. int.	0.6	Jan. 8	0.56	—	1.84
Scottish Cities Inv.	4	Dec. 18	3.63	5.75	5.38
Sheaf Steam	Nil	—	2.35*	2.37	4.22*
S. Malayan Tin	6.73	Jan. 9	7.25	10.73	10.05
Stockholders Inv.	0.83	Jan. 14	1*	1.55*	1.38*
Time Products ......int.	0.35	Jan. 23	0.16*	—	0.62*
Unerman Hldgs. ......int.	1.4	Jan. 15	1.4	—	4.08
Yorks. & Lancs. Inv.	0.7	Dec. 22	0.7	1.05	1.05
Young Brewery ......int.	1.2	—	1.0	—	2.38

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross. (b) Gross in Malaysian cents.

C. E. Heath up 65% so far

INSURANCE BROKERS and underwriting agents C. E. Heath and Co. reports a 65 per cent. increase in taxable profits to £1.75m. for the half year to September 30, 1975.

The chairman, Mr. F. R. Holland says that prospects for insurance broking operations look "very promising."

Similarly on the underwriting side, while a downturn in the contribution from the Lloyd's underwriting operations is expected, it is probable this will be more than offset by the "very buoyant" results from Australia, already into its final quarter.

First half earnings are shown to be up from 6p to 9.7p per 20p share and the interim dividend is lifted from 1.83p to 1.95p net. Last year's total was 6.103p from earnings of 19.6p.

	Six months 1975 £000	1974 £000
Broking profit	1,082	760
Commission	3,770	2,614
Expenses	3,130	2,230
Interest	413	376
Underwriting profit	508	166
Fees	1,053	423
Expenses	747	340
Interest	202	83
Investment income	91	86
Net profit on disposal	26	*55
From associates	78	102
Profit before tax	1,747	1,056
Tax	908	550
Net profit	839	506
Available	839	506

* Loss.

● comment

C. E. Heath is nearly two-thirds ahead pre-tax, and the shares added to the relative strength of the insurance broking sector yesterday with a 10p rise to 282p. Brokerage has been rising fast, with inflation lifting premiums and therefore Heath's commissions; but the group reckons also to have taken on a slice of new business over the six months, and the expense ratio has eased back fractionally. Underwriting—now down to a third of total profits before interest—is moving well. For the year Heath could emerge with profits close to £5m. overall before tax. That points to earnings of over 27p for cover of more than 4 times for an increased dividend. The prospective yield is 3½ per cent., slightly below the sector average.

Statement, Page 13

Northern American Trust

Stated earnings per 25p share of Northern American Trust increased from 2.25p to 2.38p in the year to November 1, 1975, and the dividend is raised from 2.2p to 2.3p net with a final of 1.6p.

Net revenue advanced from £740,262 to £779,430 after corporation tax £117,000 (£81,000), and imputation tax £349,183 (£311,423).

Net asset value per share is shown at 92p (50½p).

Unerman ahead

In the six months ended September 30, 1975, profits of Unerman Holdings rose from £282,883 to £305,535, on sales £585,555 ahead at £4.03m.

The interim dividend is unchanged at 1.4p net per 10p share—for the previous year a total of 4.08p was paid from profits of £682,737.

	Six months 30/9/75 £	30/9/74 £
Sales	4,029,391	3,443,836
Profit before tax	305,535	282,883
Taxation	160,406	147,240
Net profit	145,129	135,623
Interim dividend	56,000	56,000
Retentions	89,129	79,623

Unerman—a subsidiary of Rexmore—manufactures and distributes hardware fittings, etc.

Statement Page 27

Gt. Portland midway increase

A £200,000 profit increase to £1.19m. is reported by Great Portland Estates for the half year ended September 30, 1975. And net available revenue is up from £618,000 to £831,000.

A maintained 1p net interim dividend is declared; for the year 1974-75 total payment was 3.254p from pre-tax revenue of £1.42m.

Against the half year's profit has been charged £239,000 (£116,000) exceptional repairs arising on refurbishing buildings.

	First half 1975 £000	1974 £000
Gross rents	3,129	2,350
Except. provision	*210	118
Profit before tax	1,190	989
U.K. tax	613	507
Net revenue	577	482
Development props.	†254	136
Available	831	618
Interim dividend	273	270

* Exceptional repairs arising on refurbishment of buildings. † Equal to outgoings attributed to properties being developed.

Martonair prospects

Taking into account the short ordering cycle in the pneumatic control industry, and the strength and scope of overseas business, Martonair International is well placed to respond promptly to a resumption of demand, says the chairman, Mr. G. Godwin.

Despite a significant slowing down of order intake during the second half of the year to July 31, 1975, group pre-tax profit increased from £2.68m. to a record £2.88m. As reported on November 7 the dividend is raised from 3.155p to 3.367p and a one-for-ten scrip issue is proposed.

Turnover increased from £16.65m. to £18.81m., of which over 77 per cent. was in respect of direct exports and sales by overseas subsidiaries.

Bank borrowings, less bank balances, increased by £258,000 (£1,311,000).

Meeting, Connaught Rooms, W.C., December 11, noon.

McLeod Russel upsurge

GROUP TRADING profit of McLeod Russel and Co., tea producers, etc., expanded from £903,941 to £2.5m. in the year ended March 31, 1975, and stated earnings per £1 share are up from 18.16p to 26.37p.

The dividend is raised from 5.5p to 5.8694p net.

An amount of £100,351 has been provided to write down investments to market value. The share of profit in the property partnership is down from £423,051 to £4,462.

B. & C. Shipping sees £4m. cut

ON A TURNOVER up from £68m. to £84m., first half 1975 group pre-tax profit of The British and Commonwealth Shipping Company contracted from £8.37m. to £5.81m.

Present indications are that profits for the year, after charging realised losses on foreign currency loans, will amount to some £12m.—a reduction of £4m., the directors state.

After exchange losses, tax and minorities, but before exceptional and extraordinary items, the reduction is estimated to amount to £2m.

The cause of the decline in profitability relates to the performance of the six bulk carriers which contributed significantly to profits in 1974 but in the current year made losses.

Profits from associates and overseas companies in which the group has a substantial interest are included for the half-year and estimates for the full year on the basis of dividends received or expected. It is considered the group's share of profits will again be "significantly" in excess of the dividends received.

The 1973 underwriting year of Scottish Lion Insurance closes on December 31, 1975. It is estimated that its profit will be down significantly from the 1972 profit of £773,000, and that profits (after tax) will be used to further strengthen the insurance fund.

Attributable group net profit for the six months came out at £2.92m. (£5.42m.).

The interim dividend is raised from 2.8475p to 3.445p net per 50p share. On the assumption that the final is maintained at 4.09p (the maximum allowed and assuming imputed tax at 35 per cent.) net cost of dividends will amount to £2,441,000 (£2,453,000, which included £206,000 in respect of the dividends paid on Preference capital redeemed with effect from December 31, 1974).

Statement, Page 28

See Lex

Sheaf down no final

NET PROFIT of Sheaf Steam Shipping contracted from £2.51m. to £1.95m. in the year ended July 31, 1975, and no final dividend is being recommended. This leaves the 2.3718p net interim as the year's total, against an equivalent of 4.221p in 1973-74.

The profit includes £589,641 surplus on sale of ships, and an £800,000 provision for losses on some realisation of ... that will be necessary in ... current year.

Earnings are shown at ... (67.1p) per 50p share.

Through Sheaf Drilling, ... company is involved as a pa... in Atlantic Drilling Compa... the purchase of two oil ... rigs. Unless employment for ... can be arranged, problem... financial liquidity will arise ... end of 1976. Although corr... action is being taken, the ... of Sheaf feels that the over... importance of conserving cas... sources must preclude the ... ment of a final dividend.

The managers of Atlantic ... ing continue to seek busines... the two rigs and the sligh... crease in inquiries gives en... agement in a very compe... market.

The group has forward em... ment for its whole fleet at fa... able rates till early 1976. ... after half the ships are fixe... forward time charters, all bo... of which are fixed at profi... rates. Therefore, results to ... current year will be affecte... the depressed dry cargo m...

Young Brewery

FIRST-HALF (to Septembe... 1975) turnover of Wandsw... based Young and Co.'s Bre... expanded from £3.98m. to £... and pre-tax profit advanced ... £489,520 to £593,577.

The directors report tha... brewery is continuing to op... at maximum capacity, and a ... investment in new plant is ... made on which work is well ... way, and will, it is hope... ready by early summer.

The interim dividend is ... from 1p to 1.2p net per 50p ... Last year's total was 2.3... from a profit of £758,245.

LONDON & PRO... SHOP CENTRES

In the year ended June 24, London and Provincial ... Centres (Holdings) had a ... come available of £126,691, ... pared with £97,882 previously.

Yesterday, it was reported ... a pre-tax loss of £... (£292,968) had been incurred, ... this was before bringing ... £418,369 (£345,616) from ... reserves.

ISSUE NEWS

ESSEX WATER SUCCESS

The offer for sale by tender of £3.5m. Essex Water Company 9 per cent. Redeemable Preference stock, 1981, attracted applications for £9.257m. of stock. The highest price was £100, and the average £99.54, while the lowest to obtain a partial allotment was £99.4. Dealings start to-day, brokers to the issue were Seymour Pierce and Co.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's batch of local authority yearling bonds has eased another ⅛ of a point to 11⅛ per cent. The bonds are due on November 24, 1976 at par.

This week's issues are:—Cambridgeshire C.C. (£½m.), Crew and Nantwich B.C. (£½m.), Nithsdale D.C. (£½m.), Northavon D.C. (£½m.), Tameside Metropolitan B.C. (£½m.), Wimborne D.C. (£½m.), Wirral B.C. (£...), Metropolitan Borough of Se... (£½m.), Suffolk C.C. (£...), Basingstoke D.C. (£½m.), Lo... R.C. (£½m.), Metropolitan Bor... of Calderdale (£½m.); Clyde... D.C. (£½m.), Borough of Wo... hampton (£½m.), Dumfries-Galloway R.C. (£½m.), Borou... Ellesmere Port (£½m.), Cit... Sheffield (£2m.), Arun (£½m.), Borough of Gates... (£1m.), Borough of South ... side (£½m.), Strathclyde ... (£1m.), London Borough of S... (£1m.), London Borough ... Wandsworth (£½m.), Hunti... D.C. (£½m.).

SINGLO—47.1%

Singlo Holdings has rec... acceptances and applications ... excess forms in respect of 39... new shares representing app... mately 47.1 per cent. of ... 806,400 new 10 per cent. Cu... tive Convertible Preference s... offered by way of rights. ... balance has been taken up ... underwriters.

MINING NEWS

Gold Fields sees only a short pause

BY KENNETH MARSTON

A TEMPORARY setback is expected in earnings of the Consolidated Gold Fields mining and industrial group in the current year to next June after the record performance achieved in 1974-75, but there is no question of any reduction in the well-covered dividend. And looking to the medium and long term the chairman, Mr. Donald McCall, told shareholders at yesterday's meeting that the London group's prospects had never been better.

Taking the four main areas of activity, revenue from South African gold this year is not expected to match the previous peak although an optimistic view is still taken of the longer term future for the metal. Australian operations "face a very difficult period" while there could be some improvement in the current year's revenue from the U.K. and North American interests.

The U.K. construction materials producer Amey Roadstone Corporation may do a little better this year, but it is still far from giving a worthwhile return on the money invested. The future of the Wheal Jane tin mine in Cornwall looks to be in jeopardy unless fairly soon there is a reversal in its falling ore grade trend or a recovery in the tin price.

Soaring costs have almost entirely eroded profit margins of the Mount Goldsworthy iron ore operation in Western Australia which needs a "substantial" increase in iron ore prices. On the other hand, the future of the U.S. Azcon steel fabricator and distributor "looks promising" and the company has a 60 per cent. stake in a potential low grade open-pit gold mine in New Mexico which has given encouraging exploration results.

This last point serves as a reminder that Gold Fields continues to look for new revenue sources and on the exploration front its interests cover areas such as the North Sea, Greenland, the Philippines, the U.S., South Africa and, more recently, Brazil. Meanwhile, the £867m. group has its problems —mostly in Australia—but it also has a good earnings base and seems well placed to weather the current economic storms. The shares fell 12 to 203p in a generally lower market yesterday.

ROUND-UP

Agreement in principle has been reached between the South African Chamber of Mines and the Mineworkers' Union for the introduction of a five-day week in the Republic's coal mining industry. No details are being released, however, until they have been ratified.

* * *

A fall in October production is reported by South Africa's gold mines. The figure of 1,928,124 ounces is the lowest since May, compares with 2,003,430 ounces in September and goes against 2,070,295 ounces in October of last year. The total for the 10 months to date of the current year of 19,089,075 ounces goes against the 20,632,753 ounces produced for the similar period of 1974 when total output of 24.4m. ounces was the lowest for 13 years.

* * *

The president of Canada's Northgate Exploration, Mr. Pat Hughes, has resigned from the Board of Tara Mines, the operating company for Tara Exploration's big zinc-lead discovery at Navan in Ireland. Two other directors, Mr. S. P. Boland and Mr. S. Filer, have also resigned. Mr. Hughes is understood to be remaining on the Board of Tara Exploration which holds 75 per cent. of Tara Mines, the other 25 per cent. belonging to the Irish Government.

* * *

America's SEDCO has joined a multinational venture for mining manganese nodules from the deep ocean which contain nickel, copper and cobalt. Other participants are Canada's International Nickel and a consortium of Japanese and German companies.

* * *

The takeover bid from Sydney Londish Holdings of 62 cents (38p) per share for Australia's Loloma is recommended by the latter which points out that there was a loss of $203,000 in the September quarter and sees no immediate prospects of an improvement. Loloma were 55p in London yesterday.

MIM problems

LITTLE HOPE of any early recovery in the demand for base-metals and thus in the low fortunes of Australia's MIM Holdings was held out by the chairman, Sir James Foots, at the Brisbane meeting of the Australian mining giant.

And he warned that the profit for the year to next June is unlikely to reach the annual rate of nearly $A22m. (£13.7m.) achieved in the first quarter. MIM earned $A51.1m. in the previous year and $A91.6m. in 1973-74.

To add to its problems, MIM will have substantially to increase its borrowings in the current year to meet capital spending, tax liabilities and to provide working capital. Loans from Australian sources now being negotiated total $A77m. and will supplement the $US85m. (£41.8m.) placement of notes made earlier this year. MIM fell 4p to 196p yesterday.

MORE FROM THE TIN TWINS

DIVIDENDS increased by the maximum permitted amount are declared by the U.K.-registered Eastern tin producers, Malayan Tin and Southern Malayan Tin. In each case the final dividend for the year to June 30 is 6.725p net, making a total of 10.725p which is equal to 16.5p gross compared with 15p gross for the previous year.

MALAYAN—

	1974-75 £	1973-74 £
Profit before tax	3,216,514	3,862,841
Dividends and interest	822,710	432,536
Surplus invest. realistn.	109,994	1,288
Share associate	646,440	547,588
Making	4,795,458	4,843,553
Taxation	2,719,995	2,984,198
Balance	2,075,468	1,859,365
Unrequired	517,000	—
To river deviation prov.	1,250,000	647,380
Dividends	980,373	939,858
Forward	1,118,284	864,296

SOUTHERN MALAYAN—

	1974-75 £	1973-74 £
Profit before tax	1,231,366	1,896,761
Divs. and interest	679,387	397,085
Surplus inv. realisation	50,735	8,455
Making	1,961,088	2,342,311
Taxation	1,149,281	1,366,892
Balance	812,327	975,419
From river devtn. prov.	138,443	*170,886
Unrequired tax	277,000	—
To reserves	300,000	—
Dividends	628,473	570,380
Forward	341,082	422,373

* To provision.

The two companies did not produce as much tin concentrate in the past year as in 1973-74, but they will have benefited from a high Penang average tin price of $M1,029 per picul compared with $M953.

Current year's production is also trending lower—notably in the case of Malayan—and with a fall in the metal price which was $M969 yesterday, the companies are clearly heading for lower profits. Malayan were 187p and Southern Malayan were 144p yesterday.

Charter does well

A SLIGHTLY increased interim for the year to next March of 2.5p net is declared by Charter Consolidated compared with 2.25p in the previous year when the final amounted to 3.96p. Investment income in the past half-year has been swelled by higher payments from the holdings in Anglo American, Anglo Trust and Union Corporation. The trading profit has been boosted by higher earnings of Cape Industries.

Sharedealings have also contributed more to total earnings which equal 9.38p per share compared with 7.87p in the first half of the previous year and the subsequent 12 months' total of 16.42p.

	Half year 30.9.75 £000	30.9.74 £000
Investment income	9,993	8,426
Realisations of investm.	2,042	1,265
Interest	1,373	2,627
Trading profit	6,445	2,929
Admin. & tech. expend.	1,627	568
Prospecting	489	1,118
Interest paid	3,034	2,503
Profit before tax	16,782	13,449
Taxation	5,932	4,525
Net profit	10,850	8,420
Outside holders	731	278
Pre-acquisition profits	221	—
Attributable	9,896	8,242

A cloud on the horizon as far as the current half-year is concerned, however, is the expectation of a sharp fall in dividend income from Minorco as a result of the depression surrounding the Zambian copper industry. Charter lost 4p to 173p yesterday; the latest results were not known in market hours.

Capital & Counties

Financing arrangements which have delayed completion of the Capital and Counties Property accounts to March 1975, have now been completed. Shareholders were told in September that had the accounts been published, showing consolidated net assets reduced to £85m., certain of its bankers could have withdrawn their facilities.

The company would not reveal details of the new arrangements yesterday, but preliminary results will be announced this Friday, when the report and accounts will be mailed. The annual meeting will be held on Monday, December 15.

BIDS AND DEALS

Agreed Ransome Hoffmann bid for MTE

BY MARGARET REID

Ransome Hoffmann Pollard, Britain's largest maker of ball bearings, is branching out into a new area with an agreed £3.8m. bid, announced yesterday, for MTE, the industrial electrical control gear concern.

The offer is worth some 37p in a mixture of RHP shares and convertible loan stock; MTE shares closed 7p up at 36p last night.

At the same time, RHP, formed in the earlier 1970s from the get-together of three British bearings companies, disclosed that its own pre-tax profits had jumped to £5.75m. in the year to October 3, 1975, from £2.80m. in 1973-74. A final dividend of 1.938p is intended to lift the total to the maximum permitted 3.128p.

Of the profit improvement, which raised earnings to £2.70m. from £1.71m., RHP's chairman, Mr. George Barlow, said that last year was when the merger benefits really came through.

On current year prospects, RHP forecasts some reduction in profits compared with 1974-75, despite signs that the order intake is now showing an upward trend, but expects that when the recession ends the past year's record will be exceeded.

The offer, which is backed by the MTE Board, advised by County Bank, starts with good chances of success, since Mr. Reggie Browne, MTE's chairman and the founder of the business in 1946, is accepting irrevocably for his 29.7 per cent. holding. Other directors plan to accept for stakes totalling 1.7 per cent.

RHP explained its bid move by saying that, after welding its existing business together, it now planned to continue the development of certain profitable sectors of the bearing industry, and also to broaden its activities by participation in another sector of engineering with a different cyclical pattern.

The industrial electrical control gear industry, and MTE within it, had been chosen because its marketing structure was the same as RHP's in involving supply to a wide range of customers. RHP's worldwide marketing network is counted on to provide further outlets for MTE products.

Mr. Barlow, who was himself a prominent figure in the electrical industry as managing director of English Electric Computers up to 1969, said they had investigated various parts of the electrical industry. Industrial control gear was less cyclical than bearings. MTE supplied control equipment for water-pumping, effluent and anti-pollution plant and for certain North Sea apparatus, he added.

Of MTE, he said: "They have strong management but with our world-wide organisation we can help them realise their potential."

MTE holders will be offered, for each 100 shares, 35 RHP shares (1p up at a 1975 peak of 69½p last night) and £12.50 in cash. They will be able to get 52p cash for each RHP share, if they wish. Mr. Browne is to retain as an investment 800,000 of the 1,089,414 RHP shares to which he will become entitled.

Mr. Browne is to retire as chairman of MTE on the offer becoming unconditional; Mr. Barlow would then take over as chairman of MTE, of which Mr. W. H. Holmes would remain managing director. MTE reports that its pre-tax profits in the first five months of this year are running 27 per cent. below las year's level.

Holders of MTE convertible loan stock are offered, for each £100 nominal, £80 nominal of 8 per cent. Convertible Unsecured Loan stock 1984 of RHP.

● comment

The acquisition of MTE stands to add about a sixth to both the share capital and the historic earnings of Ransome Hoffmann, although MTE's profits have been running at over a quarter below the 1974-75 level. At RHP, the forecast for the year October 3 indicates a drop from the first-half level following a downturn in U.K. demand. Orders have now levelled out, and exports—over a fifth of sales, and depressed last year—are now picking up, but first-half profits are still likely to be down. The RHP shares closed 1p up yesterday at 69½p, which puts a value of 36.8p on each MTE share (for a historic exit p/e of 8¼), with a cash alternative of 30.7p, compared with a closing price of 36p—up 7p—for MTE.

UNIERS DEAL OFF

gotiations between the Board heelers Restaurants and the rietors of Pruniers, the St. s' Street, London, restaurant, broken down and the sale, h was subject to contract, not now proceed.

was announced in September Wheelers was to purchase iers.

RMALI—BTR

a further letter to Permali holders urging them to t the bid from BTR, the man says the price is her fair nor reasonable and holders will suffer a reduc- in income."

goes on: "Members holding over 1m. shares or 16 per cent. of the balance of those under bid, have given the Board written assurances that they will not accept BTR's final offer. It appears that only some 4 per cent. of British shareholders have accepted."

TOOTAL-FOLEX

Folex Industries SBP, of Malaysia, yesterday said that it had held negotiations with Tootal of Britain on some form of possible co-operation and would negotiate again in Kuala Lumpur soon. Folex said the Board had been actively exploring the possibility of a link-up with another textile group, and managed to attract the interest of Tootal.

Smiths Industries in strong position

DESPITE THE present economic climate. Smiths Industries, has a forward looking investment plan, and has increased its investment during 1974-75 in a number of areas, says the chairman, Mr. R. G. Cave.

The group is now in a strong position to take full advantage of any opportunities which may arise. Whether the country's economic position will, in the next year, allow benefit from these is the question.

Although next year the company should continue to grow and perform better than the average, it is unlikely to reach its full potential, Mr. Cave states.

He sounds a warning about exports. Unless U.K. inflation is reduced, at present exchange rates the directors can see the exporting of some products becoming "uncompetitive or unprofitable."

In the year ended August 2, 1975, group turnover came to £157.5m. (£135.75m.) and taxable profit to £12.54m. (£11.29m.), as reported on November 15 with the 5.8885p (5.1471p) dividend.

On a CPP basis the profit is given as £7.82m. (£11.78m.). equal to 10 (17.9) per cent. of shareholders' funds. Net profit is equal to 5.9 (13.3) per cent. The 1974-75 operating profit as defined by the Inflation Accounting Committee is estimated at £3.5m. after deducting from the pre-tax profit £6.5m. cost of sales adjustment based on internal estimates and £2.5m. additional depreciation based on plant replacement indices.

The directors propose to increase the authorised capital to £30m. by creating 10m. shares of 50p. As some 3.24m. shares are reserved for loan stock conversions, they feel the present balance does not provide an adequate margin of unissued shares.

Meeting, Cricklewood, NW, December 11, at noon.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Cullens Stores R. A. Dyson. John Folkes Hefo. Harcros Investment Trust, London and Lennox Investment Trust. P. Pamo. Plantation Holdings. Robert Riley. Rotaprint, Wight Construction.

Finals: Barton Transport. Enalon Plastics. English and Overseas Investments. J. H. Fenner. House of Sears. Judge International. Town Centre Securities.

FUTURE DATES

Interims—	
Anderson Strathclyde	Nov. 27
Beales (John)	Nov. 24
Billam (J.)	Nov. 20
Brickhouse Dudley	Nov. 26
Brown Shipley	Nov. 25
Bulmer (H. P.)	Dec. 18
Burnett and Hallamshire	Dec. 4
Carless Capel and Leonard	Dec. 1
Cooper (Frederick)	Nov. 25
Dunhill (Alfred)	Nov. 28
Dykes (J.)	Nov. 27
Exchange Telegraph	Nov. 27
Invergordon Distillers	Nov. 27
Kleen-E-Ze	Nov. 24
Locker (Thomas)	Nov. 20
M.K. Electric	Nov. 26
Mitchell Somers	Dec. 11
Property Partnerships	Nov. 20
Ropner Holdings	Nov. 24
S. and U. Stores	Nov. 20
Sekers International	Nov. 26
Vaux Breweries	Dec. 18
Watson (R. Kelvin)	Nov. 25
Whewav Watson	Nov. 25
Finals—	
Abbey Panels	Nov. 28
Atlanta, Baltimore Chicago Reg. Investment Trust	Nov. 21
Bass Charrington	Dec. 4
Capital and Counties Property	Nov. 21
Cardiff Malting	Nov. 24

Amber sees £160,000

Makers of aerosols, refractory fittings and tubular products, Amber Industrial Products, is looking for profits of some £160,000 for the year to March 31, 1975, compared with £110,000 previously.

The first six months produced a profit of £80,000 (£57,000), reflecting discontinuance of the loss-making turkey farming activity and reduced interest charges.

Assuming no worsening of trading conditions, second half profits should be similar, the directors say.

Caledonia Investments is the controlling company.

Statement, Page 37

Setback for Bristol Post

WITH SUBSTANTIAL increases in operating costs not being matched by revenue, profits, before tax, of Bristol Evening Post fell sharply from £846,000 to £348,000 in the 28 weeks ended September 30, 1975.

Chairman Mr. Andrew Breach points out that newspapers generally are experiencing difficult trading conditions, but "every effort" is being made by the group to minimise these effects.

For the year ended March 31, 1975, profits totalled £1.15m., from which dividends of 4.72p net were paid.

	28 weeks 1975 £000	1974 £000
Sales and services	5,539	5,402
Materials, wages, etc.	5,242	4,394
Depreciation	154	150
Trading profit	413	569
Net interest paid	65	22
Profit	348	846
Taxation	181	417
Net profit	167	429
Minorities	51	152
Attributable	116	277

Royal Insurance profit growth

PRE-TAX PROFIT for the nine months to Sept. 30, 1975 of Royal Insurance increased from £10.8m. to £22.6m., after being £16.8m. against £11.8m. for six months. The figure for all the year 1974 was £15m.

Investment income increased from £37m. to £43m. for the nine months. Long term insurance profits were £1.3m. (£0.9m.) and the estimated attributable profit, after tax, was £13.8m. against £8.6m., equal to 11.5p against 7.2p per 25p unit.

Commenting on a reduced underwriting loss of £22.4m., against £25.1m., the chairman, Mr. D. Meinertzhagen, says in the U.S. the underwriting result, excluding currency fluctuations, at £18.9m., was similar to the £18.4m. for the corresponding period last year. The effect of rate increases which have been and are being obtained, began to be felt in the third quarter and will continue to build up during the rest of this year and throughout next year. Last year's U.S. underwriting loss was £27.2m., and the year's overall total £39.8m.

Statement, Page 37

See Lex

Caroni tops £4.9m.: pays 2p gross

AGAINST the July forecast of around £3.5m., group pre-tax profit of sugar manufacturers, Caroni, increased to £4.91m. for the year to June 30, 1975, from £1.96m. for the previous year. Turnover expanded from £15.53m. to £40.34m.

Stated earnings per 10p share went up from 3.18p to 6.42p, and Ordinary dividends are resumed with a recommended 2p gross.

	1974-75 £	1973-74 £
Turnover	40,339,075	15,534,367
Pre-tax profit	4,912,536	1,962,607
Taxation	1,915,363	510,000
Net profit	2,997,173	1,452,607
Currency loss*	110,000	—
Attrib. Ord.	2,845,936	1,411,000

* On World Bank loan.

The Government of Trinidad and Tobago has not yet introduced the legislation announced in December, 1974, for a levy on export sugar sales and also on excess profits tax, but provision has been made in the accounts for these items based on the statement by the Government in the sum of levy £11,890,077 and EPT £369,175.

Advance by Time Products

FIRST HALF profits of Time Products rose by £140,000 to £970,000, and indications are that this trend will continue, with the result for the full year to January 31, 1976 exceeding the £2.09m. reported for 1974-75.

The interim dividend is effectively raised from 0.16p net to 0.35p—the previous total was equal to 0.6239p.

	Six months 1975 £000	1974 £000
External sales	7,457	5,770
Trading profit	685	620
Share associates	293	210
Profit before tax	970	830
Taxation	395	357
Net profit	575	473

The group's business is that of watch and clock distributors and retail jewellers.

● comment

Time Products associate, assembling watches in Hong Kong, set the pace with a 36 per cent. jump in profits, but an improvement of only a tenth at home left the group overall ahead by 17 per cent. The devaluation of sterling generally ran up the prices of imported watches, but difficulties for the Swiss manufacturers tended to keep their prices down, while the Russian watch range was very competitive in the shops as all but one model remained within the 8 per cent. VAT category. TP is looking for at least as good a Christmas as 1974—the wholesaling division has already completed its sales—so £2.4m. full-year profits look in sight, for a prospective p/e of 4.1 at 36½p.

Statement, Page 27

Aberdeen Trust improves

Revenue of Aberdeen Trust improved from £935,907 to £966,621 in the year ended September 30, 1975, after tax of £363,501, against £332,039.

The dividend is raised from 3.35p to 3.5p net, with a final of 2.333p.

Wood Hall Trust looks to longer-term

IN THE longer term, the strength of Wood Hall Trust should put it in a good position to take advantage of the revival in world trade which must occur within the next two years. The group should then again show progressive profits, states chairman Mr. Michael Richards.

As regards the current year he reports that first quarter results are "poor" due mainly to the setbacks experienced by the Australian subsidiaries. Results for the first half will be substantially below those of the 1975 half year and for the year, "barring a near miracle," the chairman forecasts a "reduction, appreciable or even substantial," in the group profit.

As reported group pre-tax profits fell from £8.38m. to £6.06m. in the year ended June 30, 1975. The dividend is 3.941p net—the maximum permitted.

Ordinary holders funds increased by £1.87m. to £28.63m.—equal to 116.7p (109.1p) per 25p unit.

Group investments totalled £7.49m. (£6.65m.) including quoted £6.48m. (£5.88m.), with a market value of £6.28m. (£4.75m.). The quoted investments consist largely of Ordinary holdings in—Elder Smith Goldsbrough Mort (3.6 per cent.); Jessel Toynbee (16.5 per cent.); Pauls and Whites (27.4 per cent.). These are term investments and so no account is taken of any change in market values compared with original cost.

During the year there was a net reduction in bank borrowing of £1.04m. (£5.39m. increase). At the year-end overdrafts stood at £13.7m.

Holdings of Hartson Nominees and other holders (mainly institutions) of Ordinary stock of 20,000 or more 25p units aggregated 63.18 per cent. of the WHT equity.

Meeting, Winchester House, E.C., December 11, at 11.30 a.m.

Titaghur Jute loss £0.7m.

After providing £677,045 for possible losses on forward contracts, Titaghur Jute Factory reports a pre-tax deficit of £702,145 for the 18 months ended June 30, 1975, compared with a loss of £446,289 for the previous 12 months.

There are no dividends—the Preference is in arrears from January 1, 1973.

	18 mths. 1974-75 £	Year 1973 £
Turnover:		
India	19,823,031	14,769,013
U.K.	3,580,005	1,948,471
Total	23,403,036	16,717,486
Loss:		
India loss	860,206	552,604
U.K. profit	158,061	106,315
Total*	702,145	446,289
Tax credits	9,233	30,098
Net loss	692,912	416,191
Minority loss	3,273	2,791
Attributable loss	689,639	413,400

* After £677,045 provision for possible losses on forward contracts (£179,732 written back).

Due to a change made in 1975 in the tax law in India, applied retrospectively from 1972, the directors have decided to change accounting policy regarding providing for gratuities to employees in India on retirement. As a result an adjustment for prior years has been made in the accounts whereby a net £376,144, after tax adjustments and minorities has been written back from provisions for gratuities.

Greencoat in profit —£0.16m.

WITH TOTAL group revenue up from £0.57m. to £1.21m., Greencoat Properties reports a turnround from a previous loss of £239,000 to pre-tax profits of £163,000 for the year to June 30, 1975 after a midway deficit of £256,000 against profits of £105,000.

Full year earnings per 5p share are shown at 0.24p and the dividend is 0.13p net. Last year a single interim payment of 0.268p was made.

The directors state that subject to no unforeseen circumstances affecting development in U.K. or France, a higher profit will be reported for the current year. They are confident that group has adequate cash resources for its foreseeable requirements.

There was a tax charge of £87,000 (credit £140,000) for 1974-1975 leaving £76,000 (loss £99,000).

Lister ready for upturn

WITH an up-to-date plant, highly technical skills spanning a wide range of textile prod[ucts] Lister and Co. will be well p[laced] to take advantage of the ups[urge] in trade when the present r[eces]sion is spent, states chairman L. E. Kornberg.

The textile industry has [been] in the forefront of the b[attle] against low-wage imports and erosion of margins, and is fig[hting] against a background of [con]stantly increasing costs, [he] declares.

In face of this situation, [the] group has redoubled efforts [to] streamline and modernise op[era]tions. In the past two to [three] years several million pounds [have] been spent on new plant [and] machinery and this process [of] modernisation and streamlining [is] continuing as an essential [part] of strategy to keep Lister in [the] forefront of this industry.

This has enabled the group [to] concentrate manufacturing [...] and to transfer the production [to] new machinery with resu[lting] savings in costs and overh[eads], says Mr. Kornberg.

In the year ended March [...] 1975, profits dropped from £1[...] to £0.79m., on a virtually [...] turnover of £28.86m. (£26.5[...]) The dividend is 2.45p net (sa[me]).

At November 17, Imp[erial] Chemical Industries held 2[...] Ordinary shares, and Imp[erial] Chemical Insurance 0.55m.

Meeting, Bradford, Decemb[er ...] at 12.30 p.m.

Hoveringham recovery

THE MARKED improvement in first-half profits expected by the Hoveringham Group (formerly Hoveringham Gravels) turns out to be from £322,000 in the 1974 period, which included the three-day week, to £642,884, before tax, in the six months to June 30, 1975.

And chairman Mr. G. H. C. Needler says that, while the two difficult months of the year remain, the directors expect that barring unforeseen circumstances, second-half profits will be about the same as for the first. This would give a total of near £1.3m.—the previous year's figure was £0.5m. compared with £1.4m. in 1973.

Mr. Needler reports that, as indicated at the annual meeting, trade has been maintained at levels which exceeded expectations, but he points out that the short-term future of the construction industry is still uncertain and "very largely" dependent on Government policy.

First-half earnings per 25p share, before extraordinary items, are shown at 1.4p against 0.5p and, in view of the results, [an] interim dividend of 0.375p [is] declared. In 1974 the div[idend] was cut from the previous [...] total to a single 0.325p pay[ment] from stated earnings of 1p.

● comment

Some clue was given to [the] Hoveringham revival back in [...] but doubled profits at the [half-]way stage were sufficient to [put] the R.V shares 3½p higher a[t ...]. The comparable period was, [how]ever, badly hit by the three[-day] week and volume this tim[e was] little changed. The 28 per [cent] sales gain mainly reflects the [sub]stantial upturn seen in c[...] prices, since over the past c[ouple] of years, the company [has] virtually doubled its numb[er of] ready-mixed concrete plan[ts in] operation. No improvemen[t in] volume has since been seen [...] about £1.3m. pre-tax profit [is] on the cards for 1975. [...] would give earnings of aroun[d ...] per share, leaving scope f[or a] sizeable increase in the div[idend] payment.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p**	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
♣	F.P.	—	169	117	Corn Exchange	117		b1.62	2.8	1.5	—
♣R3	F.P.	7/11	380	275	Elandsr'd G'd Min'g 20c	285	−15	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£99¼	£50	30/1	50	49⅝	Bristol (City of) 13¼% Deb. Stk. 1981	49⅝	......
£99½	£50	11/2	30¼	29⅛	Coventry (City of) 13¼% Red. Stck. 1980	29¾	......
♣£100	F.P.	13/10	135½	113	Haslemere Est. 9½% '90-5	124	+2
£100	£50	9/1	51½	49⅞	Islington 13½% Red. Stk. 1980	51	......
£100	£50	9/1	49¾	47⅛	Do. 14% Red. Stk. 1985/6	47¾	......
††£98	F.P.	28/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	100	+½
$US100	F.P.	—	100	99½	Midland Bank Float Cap Notes '82	100	......
$C100	F.P.	—	98	96	Noranda 9¾% Notes 1980	$C.98	......
$US100	F.P.	—	102	98	Do.	$US.102	......
£98	£25	23/1	28	28	Norcros 10¾% Deb. 1990/95	28	+¼
♣50p	F.P.	17/11	50½p	45p	Singlo 10% Cum. Conv. Pref.	46p	+1
£100	F.P.	28/11	120	100	Spirella 10% Conv. 1990	112	......
$US100	F.P.	—	98	98	Trans Union Fin Can 10¼% notes 1980	$C.98	......
£98	F.P.	31/10	99½	98	York Waterworks 9% Red. Pref. 1980	99	+1

"RIGHTS" OFFERS

Issue Price p**	Amount Paid up	Latest Renunc. Date †	‡	1975 High	1975 Low	Stock	Closing Price p**	+ or −
20	F.P.	14/11	5/12	35½	30	Amal. Distilled Products	31	......
25	F.P.	28/10	28/11	74	62	Babcock & Wilcox	74	+2
33	Nil	—	—	29	20	Berry Wiggins	27pm	+1
105	F.P.	14/11	5/12	146	128	Cape Inds.	140	−5
10	Nil	3/12	9/1	12½	10	Charles (David)	11½pm	......
55p	Nil	24/11	9/1	31½	24	Debenhams	30½pm	+½
50	F.P.	30/10	28/11	75½	63	Grand Met. Hotels	75	−½
675	Nil	1/8	7/1	212½	181½	Harrisons & Crosfields	176pm	+18
260	F.P.	28/10	12/12	402	350	I.C. Gas	402	+14
60p	Nil	—	—	39	30	Ibstock Johnsen	39pm	+5
10p	F.P.	—	—	139	125	Kwik-Save Discount	129	......
20p	Nil	21/11	12/12	104	92	Mineт Holdings	104pm	+2
50	F.P.	30/10	9/12	89	69	Northern Foods	73½	+1½
25p	F.P.	3/11	5/12	29¼	30	Peacock Santal	28	......
10p	Nil	24/11	30/1	38	23	Haybeck	38½pm	−½
70	Nil	19/12	—	5	Nil	Trust Bank Africa	Nil	−5
60p	F.P.	19/11	19/12	76	60½	Weir Group	75	+5½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

.. Gobain ..ay hold ..vidend

PARIS, Nov. 18.

..OBAIN PONT a Mousson ..maintain its dividend in ..ccording to the chairman, .. Martin.

..Martin said that the divi- ..would be fixed next March ..uch would depend on con- ..s then.

..added that in the present ..on and given the holding ..ny's different fiscal year, ..ossible to envisage a main- ..dividend.

..1974 St. Gobain paid ..20 per share (Frs.11.10). ..Martin also stated that con- ..ed net profits for the year ..be about Frs.100m. on ..imated turnover of around ..ar's Frs.21bn.

..year consolidated net pro- ..re Frs.703m.

..Gobain recently announced ..y lower 1975 first-half con- ..ed profits of Frs.48m. (Frs. ..solidated turnover in the ..ine months of 1975 was ..25bn. (Frs.15.48bn. in the ..period but Frs.15.7bn. on ..parable structure). But ..lf consolidated results ..for a mediocre year.

..chairman noted a ten- ..towards recovery, as yet ..ak to be definite, for 1976. ..ould have to be optimistic ..k next year will mark the ..f the firm's difficulties, he ..ted.

..zech bank ..ises $60m.

..ncial Times Reporter

..the first ever syndicated ..arket loan for the Czechs ..oreign Trade Bank of ..slovakia has arranged a ..loan on the Euromarket. ..ve-year loan offers interest ..percentage points above ..t. Lead manager is ..anstalt Bankverein.

* * *

..issue of at least KD4m. ..ing arranged for the ..lic of Iceland on the ..ti Dinar market. Indi- ..coupon is 8¾ per cent. and ..ity seven years. The issue ..ng managed by Arab Fin- ..Consultants and First ..

* * *

..ador is seeking $150m. for ..years. The spreads are ..ed to range from 1¼ to 1¾ ..nt. depending on maturity. ..ive equal co-managers are ..ajor American banks.

..proceeds of the loan will ..at towards infrastructure ..opment programmes such as ..uction and improvements ..ads, ports and electrical ..les.

* * *

..$100m. loan for Petroleo ..iero is being signed in ..n to-day. The two-year ..vas arranged by Libra Bank ..s to be used to finance ..ian oil imports from Saudi ..a.

* * *

..what is believed to be the ..ever example of a private ..ment of convertible notes ..foreign borrower on the ..market, Dai Nippon Print- ..reportedly arranging a ..40m. five-year placement. ..t sources suggest that the ..ment is being arranged by ..Suisse. The Italian com- ..ENI has announced that ..f its subsidiaries, the Aus- ..Trans Austria Gasline, has ..ged a Sw.Frs.50m. five-year ..e placement on an 8¾ per ..coupon.

..latest issue in the public ..of the Swiss foreign bond ..et is Sw.Frs.80m. for ..lo Hydro. Coupon is 7¾ ..ent. and lead manager Swiss ..Corporation.

Hochtief expects profit to be well down

BY GUY HAWTIN

FRANKFURT, Nov. 18.

HOCHTIEF, one of West Germany's top construction concerns, is expecting this year's earnings to be well down on last year. Shareholders will hardly be surprised by the news—the surprise would have been a rise in earnings.

West Germany's construction industry is going through a prolonged recession. Commercial building is a low ebb and house building activity promises to be well-down on the previous year. Federal Construction Ministry estimates indicate that only between 450,000 to 500,000 homes will be completed this year, far below the 604,400 completed in 1974—a figure which, itself, was a full 15 per cent. below the 1973 level.

From Hochtief's interim report on the first nine months of 1975, it seems reasonable to assume that shareholders will not be paid the 16 per cent. dividend they received last year. While this was ostensibly an unchanged dividend, profits were down from 1973's DM14.2m. to DM9.9m., and holders were paid DM7 per DM50 nominal share plus a DM1 per share Jubilee bonus to make up the 16 per cent. figure.

However, while there has been a heavy drop in home construction, work overseas has increased considerably. Although it still forms a relatively small proportion of Hochtief's turnover, it appears likely to be a high growth area in the future—especially as a leading West German economic research institute yesterday predicted that average construction industry growth in the Federal Republic would remain around the 3 per cent. level over the next 10 years.

This trend towards greater overseas involvement has already been noticeable in the figures of other leading West German building concerns. Zueblin, the Stuttgart-based concern, showed in its annual report that falling domestic orders had been made up in the overseas market, while Philipp Holzmann reported that the volume of foreign orders would certainly compensate for the cash decline in home orders.

Hochtief announced that construction output, including performance of subsidiaries, in the first three quarters of the current year rose by 2.4 per cent. to DM1.54bn. This compares with the 3.4 per cent. fall to DM1.5bn. reported in the same period of 1974, compared with the first nine months of 1973.

Home production during the report period fell by 12.4 per cent. against the opening three quarters of 1974 to DM1.14bn. But this drop was by no means as steep as the domestic decline in the same months of last year.

Overseas work, however, nearly doubled. It rose by 97.5 per cent. to about DM400m. The overseas order book also increased from DM1.15bn. at the end of September last year to DM1.97bn.

The domestic order inflow, which was at a disappointing level in the spring, showed a 10 per cent. increase over the previous year's figure to total DM1.22bn. The home order book by the end of September stood at DM1.32bn., somewhat under the previous year's level. Commercial orders had improved but public building and home construction remained weak.

During the nine months under review, there was a slowdown in the labour shedding process: at the nine-month point the concern's domestic workforce was down 7 per cent. on the previous year to 15,341. Against this the overseas labour force rose by 48 per cent. to 7,120. During the nine months, Hochtief cut back capital investment by about a third and reported that the current liquidity position was good.

U.S. stores recovery under way

By Guy de Jonquieres

NEW YORK, Nov. 18.

GREATLY IMPROVED third quarter results have been reported by several major U.S. retailing chains, suggesting that the anticipated recovery of the sector is now well under way. Increases in net profits range from 32 per cent. at Carter Hawley Hale to 171 per cent. at Dayton Hudson.

The higher earnings clearly reflect a revival of sales and consumer confidence, but they also appear especially dramatic by comparison with the rather weak performance of most retail chains during the third quarter of last year, when the U.S. was moving sharply into recession.

Moreover, this disparity has been magnified by the restatement of year-ago results in several cases to reflect the adoption of last in-first out stock valuation, which tends to reduce the level of reported profits during periods of high inflation.

Another factor cited by several companies as contributing to higher earnings was a reduction in interest costs, which reduced the burden of stock financing.

Carter Hawley Hale net earnings for the 13 weeks ended November 1 were $7.59m., or 36 cents a share, compared with $5.76m., or 28 cents last year. Sales totalled $292.2m. compared with $270.2m. in the third quarter of fiscal 1974.

Mr. Edward W. Carter, Chairman, says that operating results for the year will be "well ahead" of 1974.

Third quarter earnings at S. S. Kresge were 33 cents per share, up from 22 cents previously. Sales of $1.63bn. compared with $1.34bn.

At J. C. Penney, the gain was from 59 to 81 cents a share on sales of $1.91bn. against $1.77bn. previously.

Bradken criticises ANI voting tactics

BY JAMES FORTH

SYDNEY, Nov. 18.

THE DIRECTORS of Bradken Consolidated, the Sydney-based founders and engineers, yesterday criticised the company's major shareholder, Australian National Industries, for blocking a proposed change to the company's articles of association.

Bradken sought to make 80 changes to its articles at the annual meeting last week. ANI had no objection to 79 of the changes but used its 36 per cent. stake to block a resolution dealing with alterations to nominal capital. At present Bradken required a 75 per cent. vote in favour of a lift in nominal capital because it needs a special resolution.

Bradken sought to have an ordinary resolution, which only requires a majority vote, sufficient for future changes in nominal capital. It also attempted to move all 80 changes under the one resolution.

ANI objected and blocked the changes. It subsequently made it clear that it was prepared to support calling a fresh meeting to pass the other 79 changes, which were of a minor nature, but would not agree to a change in the nominal capital requirement. ANI is obviously worried that, if the Bradken Board had discretion over further issues, it might be able to water down the company's holding. Under stock exchange regulations a company can issue up to 10 per cent. of its capital before it has to seek permission from shareholders.

ANI was involved last year in one of the most frustrating takeover battles ever witnessed on Australian exchanges. It made a bid for Bradken which was topped by a rival company, Comeng Holdings. ANI went to the market and Comeng countered with a partial offer which excluded ANI, and only backed down after the Sydney Exchange threatened Comeng with delisting. ANI and Comeng then began buying shares in each other. The end result was that all bids for Bradken were withdrawn and ANI ended up holding 20.5 per cent. of Comeng, which in turn held 17.8 per cent. of ANI. Both companies agreed not to buy any more shares in each other or in Bradken. Early this year Comeng made a renewed offer for Bradken, which was apparently supported by ANI; but the Trade Practices Commission blocked it. Then, recently, ANI began buying more Bradken shares on and off the market, indicating that its agreement with Comeng was over.

Bradken at present has issued 90.8 per cent. of its nominal capital and will need to lift it further before it can issue more shares. If ANI maintains its stance, Bradken will need its approval before it could issue shares for any expansion move.

Bradken managing director Mr. W. E. Kendall said to-day: "It must be apparent that the directors are being placed in a position where they cannot protect the interests of the majority of shareholders in the company if it conflicts with the aims of ANI." Mr. Kendall said he was bringing the matter to the attention of the Sydney Stock Exchange, as it was relevant to present considerations in respect of codes of conduct in takeovers.

Poor prospects for Salzgitter

BY GUY HAWTIN

FRANKFURT, Nov. 18.

SALZGITTER, the government-owned West German steel and engineering concern, is expecting the 1975-76 business year to be even worse than the dismal year, just completed. The group warned that losses could be even greater than in 1974-75.

Herr Hans Birnbaum, chairman of the executive Board said, the first two quarters of the current year, which started October 1, would almost certainly produce losses. Furthermore, an improvement in the second half would be very difficult to achieve.

It could not be ruled out, he said, that the 1975-76 losses would be higher than those sustained in the last business year. Prospects for the steel sector looked bleak, while the world surplus of cargo space looked like causing problems for Howaldtswerke-Deutsche Werft, which Salzgitter owns jointly with the state of Schleswig-Holstein.

The group's steel processing sector also has its share of troubles and the best strategy for Salzgitter appears to be sharper economy measures "on a broader front." The group does not appear to be considering a wide-scale redundancy programme, but many of its workers are on short-time.

In 1974-75, the loss maker was Stahlwerke Peine-Salzgitter which represents the concern's steel making operations. The downturn in world steel demand affected production and turned the 1973-74 DM300m. profit into losses of between DM120m. and DM130m.

Overall, according to the preliminary reckoning, the concern made a real loss of some DM100m against a DM250m. profit in 1973-74. A number of sectors did reasonably well, especially it is believed, Salzgitter Machinen, the machinery making subsidiary, forecast to have a good year.

Performance in the non-steel-making sector, particularly in the processing sector, varied considerably. In some areas results were much better than in 1973-74. Herr Birnbaum pointed out that the steel losses came in the second half and—including the steel trading branch—the steel sector stayed in the black throughout the first seven months of the year.

However, the present situation at Peine-Salzgitter is bleak with some 40 per cent. of the steelmaker's 19,000 workers on short time.

According to Herr Birnbaum, results for the first quarter were as bad as in the final three months of the previous business year, although during the past fortnight there had been a slight price stabilisation in the market.

Salzgitter's turnover for the year just ended totalled DM9.6bn. — some 2 per cent. under 1973-74s DM9.8bn. External sales fell by 1 per cent. from the previous year's DM7.3bn. to DM7.2bn., while the proportion of external turnover generated by the iron and steel sector fell from 70 per cent. to 65 per cent.

Turnover of Peine-Salzgitter sank by 15 per cent. to DM2.5bn. and crude steel production fell by 20 per cent. to 4.3m. tonnes, well under the 1972-73 output figure. With a 10 per cent. share of West German steel production, Salzgitter claims to be the third largest German steel producer after Thyssen and Hoesch.

During the year the group's labour force was trimmed by some 1,300, or 2.3 per cent., to 57,153 workers.

Akzo rebukes Dutch Premier

BY MICHAEL VAN OS

AMSTERDAM, Nov. 18.

THE BOARD of Akzo, the Dutch-based multi-national chemical group, has sharply criticised the Dutch Prime Minister Dr. Joop Den Uyl over the latter's remarks in connection with the problems surrounding Enka Glanzstoff, Akzo's troubled chemical fibres subsidiary.

Dr. Den Uyl told a meeting of young socialist trade unionists recently that he thought both Akzo and Enka should be prepared to conduct talks with the trade unions on an international level. This the companies had refused to do. He added that the international trade union movement had as much responsibility as the multi-national companies and thus they had the right to control investments.

Dr. Den Uyl stated that "I cannot refute that company profits have shrunk. There is awfully little left to invest, to create jobs. I think that the trade union movement is right when it wants to talk to Akzo as a whole in connection with Enka. If losses are made at Enka we also have to take into consideration profits made elsewhere in the group. We cannot accept the consequences of losses made in chemical fibres when profits are made on the pill."

Elsewhere in his speech, the Dutch Prime Minister also said that funds to create additional employment would have to come from taxation.

Akzo's "open letter" to Dr. Den Uyl was addressed to him as a "citizen, rather than to the Prime Minister." Akzo said that it knows of no international trade union "which is even vaguely representative of the employees in our (Akzo) factories in the different countries."

The Akzo Board added in the "open letter" that since there were no rules for controlling multi-national companies and no truly representative international trade union movement either, control by the trade unions of the multi-national companies could only occur on a voluntary basis. Giving the Progressive Government partners' election programme "turning point" a twist, Akzo said the Premier should act quickly to avoid a "breaking point in 1975."

* * *

A $25m. Euromarket loan for Nicaragua has been signed. There is a five year maturity with an option on the part of lending banks to extend for a further two years. Spread is reportedly 2 per cent. The loan was arranged by Amex Bank and First Chicago Panama.

The European Investment Bank has granted Electricité de France a loan equivalent to Frs.100m., to help finance construction of the Bugey nuclear power station at Saint Vulbas on the Rhone. Maturity is 12 years and interest rate 9½ per cent.

Barclays National growth

By Richard Rolfe

JOHANNESBURG, Nov. 18.

BARCLAYS National Bank, the South African offshoot of Barclays International, which has a 64 per cent. interest, has shown net group income up from R39.4m to R48.2m. for the year ended September 30 after allowing for a trading loss of R3m. at Western Bank, the former Schlesinger subsidiary acquired from Rand Selection in the latest accounting period.

Income attributable to shareholders is up from R23.5m. to R28.2m. On the share capital as increased by the rights issue and issue of shares for Wesbank, which has raised the total issued capital from R40m. to R53.2m., earnings are a shade better at 61c. against 58c—the former, however, being calculated on the weighted average of shares in issue over the year. The annual dividend is up from 15.5c to 17.5c.

KLM sees better fiscal position

ROTTERDAM, Nov. 18.

KLM Royal Dutch Airlines expects its financial position to improve, executive Board chairman Sergio Orlandini has stated.

He told Erasmus University that KLM has stopped major capital expenditure for the time being, increased efficiency and introduced automation to restrict wage costs.

KLM has lost a total of Fls.260m. in the past few years due to higher fuel prices, labour costs, depreciation and heavy capital expenditure for fleet modernisation (Fls.1.75bn.).

Reuter

Michael van Os adds from Amsterdam: KLM, which last made a net profit in the financial year 1970-71, has accumulated losses totalling nearly Fls.94m. Subsequently it still expects to make a loss in the current year.

KLM made net profits of Fls.34.2m. in the first half of this year, compared with a marginal profit of Fls.8.8m. in the same half last year. But in a financial statement published at the beginning of the month, the KLM management said that despite reasonable trading developments so far this year it would still be making an unquantified loss this year because of the seasonal pattern of income.

Kobe maintains interim dividend

TOKYO, Nov. 18.

NET profits for Kobe Steel in the first half ended September 30 were Y599m. (Y4.4bn. in the preceding half and Y6bn. in the same 1974 period).

Net sales were Y356.9bn. (Y375.4bn. and Y393.4bn.).

The interim dividend is Y2.50 (unchanged from both preceding periods).

The company added that it had made a loss before tax and special items of Y22.4bn. (profits of Y8.2bn. in the preceding term) because of a slump in the rolled copper, rolled aluminium, welding rod and steel divisions.

Kobe said it had generated an exceptional income of Yen23bn., from sales of land and securities, and withdrawals from reserves, to produce the net profit.

Production of steel goods fell to 3.2m. tonnes from 3.26m. in the preceding half.

The average price of steel goods fell to Yen59,200 per tonne from Yen67,400 in the preceding half.

Reuter

* * *

The following is the correct version of recent reports of Japanese company results for the April-September half-year, eliminating errors which occurred in transmission.

Japan Line reports operating revenues down 1 per cent. to $487m. However profits (before tax and special items) slid to $7m. from $38m. Earnings were boosted by non-recurring items, including receipts from cancellation fees for charters. The company is maintaining its Yen2 half-year dividend, whereas the other shipping lines are postponing a decision until March.

In the report, published on November 11, the last two sentences appeared to refer to another company.

Among trading companies, C. Itoh reports a 4 per cent. increase in sales to $9.1bn. This generated a gross operating profit of $158m.—down 8 per cent. from the first half of last year declining to $35m. before interest charges and becoming a loss of $18.7m. after deducting interest but before special items. At this level, the comparable figure a year ago was a profit of $6m.

New ruling threatens SE settlements

BY RICHARD ROLFE

JOHANNESBURG, Nov. 18.

JUDGMENT handed down in the South African appeal court in Bloemfontein has dismissed an appeal by the Johannesburg Stock Exchange against an earlier Supreme Court finding that stolen scrip should be returned to its rightful owner, thus threatening to create a chaotic situation in the settlement of deals. The JSE president, Mr. Eric McKie, says that statutory amendments, whose likely form is so far uncertain, will have to be sought and a period of difficulty may lie ahead until such changes are made.

The JSE used as a test case the claim by the beneficial owner of shares in Gledhow Sugar which were registered in the nominee company of the sequestrated broking firm Witkin Farber. The shares were stolen by Witkin's office manager, Mr. Victor Poplak, who committed suicide three years ago after confessing his thefts, and sold to the nominee company of another firm, R. S. Mennie. The Appeal Court has now upheld the scrip must be returned to its rightful owner.

The Appeal Court considered that Witkin's client was the rightful owner and held that "everything unlawfully done by Poplak was a nullity vis-a-vis the rightful owner." Up to now, the official belief at the JSE was that shares were like money. If A stole a R10 note from B and spent it at a shop, B had no claim against the shop. But the latest ruling overthrows this belief and, unless and until legal amendments are made, enables a rightful owner to assert his right to recovery against an innocent third party.

Brokers are left somewhat exposed, though the JSE has a contingency reserve amounting to R1.6m. and a clearing house reserve of another R0.5m. which should be enough to replace shares in the Poplak case when all the full claims to beneficial ownership are proved. In normal circumstances, of course, a defrauded client could sue either the offender or the broking firm. The Appeal Court noted that this was "cold comfort" when "the former is dead and the latter insolvent."

The ramifications could be more extensive than the Poplak affairs by itself suggests. The appelate division also found that "ownership of shares does not depend upon registration" which could lead to difficulties at the banks in accepting scrip as collateral without additional evidence that the registered shareholder is in fact the beneficial owner. Auditors, moreover, are doubtful about certifying the balance-sheet of an investment company as true and fair when registered owners of shares might assert that they were simply nominees for existing owners. These and other points need to be cleared up as swiftly as possible if uncertainty is not to persist over what is, and is not good delivery.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8¾pc 1986	95¼	96¼
Ashland 8pc 1987	89½	90½
Austraswiss 8pc 1987	89½	90½
BFCE 9pc 1989	98½	99½
Borregaard 8½pc 1989	92½	93½
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	94¾	95¾
Consd. Foods 7¾pc 1991	86½	87½
Cutler Hammer 8pc 1987	91½	92½
EIB 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	97½	98½
General Cable 8½pc 1987	88½	89½
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	94½	95½
ICI 7¾pc 1992	82	85
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	88½	89½
Prov. of Quebec 7½pc 1988	88	89
Quebec Hydro 8½pc 1989	98	99
Queensland 8½pc 1987	86½	87½
Scanraff 8½pc 1988	96½	97½
Shell 8pc 1986	94	95
Stand. Oil (Ind.) 8½pc '88	99	100
Tenneco 7¾pc 1987	86½	87½
Transocean 8pc 1986	94½	95½
TRW 8½pc 1986	97	98
Utah 8pc 1987	91	92
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	101½	102½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 7¾pc 1978	97	98
Cie Ntl. du Rhone 10pc '82	102½	103½
Du Pont 7¾pc 1978	102	103
Esso 7½pc 1978	100	101
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1983	100½	101½
Nippon Fudosan 10½pc 1981	102	103
Skand. Enskilda 10½pc 1981	103½	104½
Tenneco 7¾pc 1978	98	99
Tokyo Curacao 10½pc 1981	102	103

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¾pc '87	80	82
Ashland 5pc 1988	79	81
Beatrice Foods 4¼pc 1992	97	99
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	96	98
Broadway Hale 4½pc 1987	76½	78½
Canon Camera 7¼pc 1990	87	89
Carnation 4pc 1987	94	96
Chevron 5pc 1988	100	102
Dart 4½pc 1987	82	84
Eastman Kodak 4½pc 1988	121	123
Economic Labs. 4½pc 1987	80	82
Eidai 7½pc 1989	79	81
Fed. Dept. Stores 4½pc '85	134	136
Firestone 5pc 1988	89	91
Ford 6pc 1986	88	90
Ford 5pc 1988	77	79
General Electric 4¼pc 1987	83	85
Gillette 4½pc 1987	77	79
Gould 5pc 1987	90½	92½
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	70	72
Honeywell 6pc 1986	78½	80½
ITT 4½pc 1987	68	70
Komatsu 7½pc 1990	100	102
J. Ray McDermott 4¾pc '87	114	116
Mitsui 7¼pc 1990	101	103
J. P. Morgan 4¼pc 1987	103	105
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	89	91
J. C. Penney 4½pc 1987	78½	80½
Pioneer 6½pc 1989	160	165
Rank 4½pc 1993	42½	44½
Revlon 4½pc 1987	100	102
Sperry Rand 4½pc 1987	96½	98½
Squibb 4½pc 1987	84	86
Texaco 4½pc 1988	74	76
Toshiba 6½pc 1990	101	103
Union Carbide 4½pc 1982	101	103
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4½pc 1988	80	82
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

Christopher Lorenz considers the issues raised at the Rome conference on computers and society and by the forthcoming Government White Paper on privacy and the comput

Calling data banks to account

"BLAME it on the computer" has been the popular interpretation of a series of major Government administrative errors in the past month, from over-optimistic trade figures to chaos at the new Swansea vehicle licensing centre. Official accounts may point to poor system planning or simple clerical errors—such as putting the wrong tape on the computer, as happened with the trade figures—but the media headlines always emphasise that a computer was involved.

Almost a quarter of a century after its introduction and at least a decade after it penetrated deep into many aspects of our daily lives, the electronic computer is still viewed by the public with suspicion, bewilderment or boredom — sometimes a mixture of all three. Any amount of explanation, that computers are only as clever and reliable as the people who design, program and operate them fails to convince all but the most technically-minded outsider.

Debate

Within the next few months, the level of interest and debate is likely to be raised by the publication of the long-awaited (and repeatedly postponed) Government White Paper on computers and privacy. Britain was one of the first countries to look closely at the problems raised by the proliferation of data banks, and the Younger Committee's report on privacy is considered a model by the international computer and legal fraternities. Yet we will be one of the last major industrialised countries to introduce special legislation about the establishment, accuracy and use of data banks containing personal information.

Sweden and two of West Germany's states have set the pace, though with very different measures, while last year the U.S. Federal Privacy Act was passed. This set extremely stringent requirements, especially about the subject's ability to check the information held on him by Federal Government departments and to have it corrected if necessary.

In Britain one of the thorniest issues will be whether, and how, the law should prohibit Government departments from passing personal information to each other; some countries have gone to great lengths to ensure that information provided for one purpose is not used for another without the individual's consent.

The U.S. experience has thrown up several pitfalls on the privacy issue. Unlike the German regulations, which use an Ombudsman system to investigate complaints and apply pressure for action to rectify abuses and mistakes, the U.S.'s rely on the individual to take legal action for redress. Initial experience is that very few people are bothering even to ask to see the information held on them, let alone have much of it amended. "Either people don't care about their privacy one bit, or they're scared to challenge the computer," comments one close observer of the privacy legislation.

The other problem is the cost of building in all the necessary safeguards. There seemed little concern about the public expenditure burden of last year's Federal Act, but computer experts in the U.S. claimed last month that compliance with equivalent draft legislation proposed for the private sector would increase the cost of handling a computer file on individuals by more than 50 per cent. The fact that the draft House of Representatives Bill bears the title "HR 1984" has not escaped ribald comment.

Technology

The rapid increase in computer usage, especially for storing information on individuals, has been encouraged by the growth in the size of business organisations and Government departments, as well as the drift towards collectivism. But the most important single cause has been the extraordinary advance in computer technology since 1950. Over the past 25 years the cost of a unit of computer memory has fallen 50 times, and its size has been reduced 400 times. Processing power has also soared: from 30p per instruction, the cost has fallen to only 0.5p to-day. This trend is continuing, especially where the size and cost of memories are concerned.

Computer usage may have penetrated most corners of our economic life, but only 5 per cent. of the potential applications have been made so far, in the view of Mr. Jim Fullam, vice-president of market development for Sperry Univac, which vies with Honeywell for the title of the world's second largest computer company, after International Business Machines. Two of the newer applications in the U.K. are in health (such as the EMI-Scanner) and newspapers; but attempts to help backward children to read (by giving them individual attention on the necessary repetitive learning) are also of major potential importance to society.

Mrs. Mary Whitehouse: "Is Brave New World coming?"

Speaking in Rome two weeks ago at the same Univac seminar as Mr. Fullam, Mr. John Forrest, group engineering executive of Westminster Press, gave a clear picture of how newspaper computerisation may break down the traditional barriers between television and the printed word. The television companies in Britain have already announced two pilot services of so-called "Teletext", displaying written news and information on domestic TV screens, and this summer the Post Office revealed its version, called Viewdata. Mr. Forrest's point was that they would allow information to be called-up by the viewer, whereas until now television has been purely a one-way, broadcast medium. The BBC and ITV companies, but not the P.O., have played down the possibility of each viewer receiving a print-out of whatever information he wishes to take off the screen.

The newspaper industry should meet the challenge of new "Teletext" services by itself diversifying into the provision of information by audio-visual means, with the home print-out facility attached, Mr. Forrest argued. This could be possible by the end of this decade: a newspaper which has put information into a stream of data for printing purposes will find it relatively easy to transmit data streams down the telephone line—or later, by satellite—to TV screens and low-cost facsimile machines.

Alienation

The effect of newspaper computerisation on social patterns may thus be far greater than is generally realised. But it is only one example of the social changes which may be wrought by the computer. To some people, the notion that 95 per cent. of its possible applications have still to be made is anathema. In the words of Mrs. Mary Whitehouse — speaking, like Mr. Clive Jenkins, in the unusual setting of a Roman villa—computers had brought immense benefits, but also the threat of alienating individuals. In characteristically forceful terms, she "wondered whether Brave New World is coming."

One of Mr. Jenkins's most interesting contributions was to maintain that computerisation did not throw people out of work. "All the fears we had have so far not been realised," he said. His Univac hosts were embarrassed at his suggestion that staff levels actually rose in the first few years after a company installed computers. But he admitted that computerisation implied a reduction in blue-collar labour and a build-up on the white-collar side. "What happens when a craftsman presses a button or watches a dial?" he wondered—a question which is given insufficient consideration by many organisations which are convinced of the benefits of computerisation.

As several of the seminar participants suggested, one of the main barriers to pu understanding about compu is that they give man e brainpower, whereas prev technological advances—inc ing rail and air transport, well as nuclear energy— him extra physical power. obvious is the problem that information contained in data bank and processed by computer is not in read form. This, and the comput ability to transmit informat in very high volume extremely fast, makes extremely difficult for soc to keep up with, even less control, the explosion of formation which compu have made possible

One by-product of this storage of information form inaccessible to the nary person is that unscru lous computer experts commit crimes, often with being caught. It was Univ Mr. Fullam himself who that none of a series of "computer crimes" had detected by regular aud chance was always responsi

Security

Security (to the compu user) and privacy (to the ject) are issues which have occupied the world's data cessing manufacturers in re years, but it is only in the 1970s that Governments b become prepared to provide necessary legal framework

But protection of security and privacy will of itself resolve the questio how to channel and control impact of computers on soc The manufacturers tend argue that individual organisational attitudes begin to adapt more rapidl technology if the impact of c puters is to be assimilated their potential used to the The overwhelmingly cri response of the seminar par pants suggests that one not have to be a "Luddite" argue, as Mrs. Whitehouse that it may now be time to sider setting limits on the of computers—not just on handling of personal info tion. The question of wh this should be done, how and by whom, is of as social importance as the more publicised question of use of nuclear power.

FINANCIAL TIMES REPORT
Wednesday November 19 1975

SECOND-HAND Plant and Machinery

The major market for second-hand plant and machinery is machine tools and the trade has not escaped the effects of the general economic recession. However, the situation has created some extra business through more companies than usual closing down and selling off their stock.

Demand starts to pick up

IMES ARE far from normal ir most parts of U.K. industry nd the second-hand plant and nachinery business is no excep-lon to this prevailing rule. Many of the merchants involved n this particular trade say here has not been a worse ecession since before the war.

That is not to say that the narket for second-hand equip-nent is quite as bad as that for iew machine tools (it is nachine tools which make up he best part of the second-iand trade). But the way the narket for new machines has hrunk this year gives some ndication of the problems acing the merchants who sell econd-hand plant. The latest tatistics from the Department f Industry, which covered the iree months to July, showed iat U.K. demand for new achine tools was down by 30 er cent. on the same period : 1974 while export orders had umped by 51 per cent. over e year.

Admittedly demand for machine tools was high for at least part of 1974 but the Department of Industry com-parisons are made on current prices so the real decline in volume terms has been appre-ciably greater.

The second-hand machine merchants insist that their situation has, in the main, been much more healthy than those statistics would suggest. August this year seems to have marked the moment when demand for second-hand plant reached the very bottom of the "trough." "Things were downright awful that month. Customers just did not want to see you," was the way one merchant described the situation. Since that time de-mand has picked up a little. It has not been a dramatic turn-round but a gradual picking-up from a very low "bottom," a movement which gives the traders some hope that they will be able to climb out of the re-cession early next year.

It is difficult to judge just how large is the British market for second-hand plant and machinery simply because there are no official statistics and the merchants themselves have a marked reluctance to provide any.

However, unofficial estimates suggest that the U.K. merchants sell something between £40m. and £50m. of second-hand plant and equipment each year, some of it going to overseas countries.

This fits in with an estimate by the Machine Tool Trades Association and the National Economic Development Council some years ago that second-hand equipment accounts for roughly 10 per cent. of the total home sales of machine tools. With U.K. sales of machine tools running at something over £300m. a year it seems that the relative ratio of second-hand to new machines has crept up a little since then.

Higher

In a normal year the merchants would probably have between £10m. to £15m. of second-hand plant and mach-inery in stock. But this year stocks are probably higher than that because of the flood of second-hand machines which have become available to the trade.

One unfortunate but inevitable result of the recession and the squeeze on corporate liquidity which this year has cast such a deep cloud of gloom over manufacturing industry—and engineering in particular—has been that companies have been going out of business at a much faster rate than usual.

Not only that, but other organisations have been stream-lining, and closing factories. The steady stream of equipment which reaches the second-hand trade has been swollen consider-ably by these factors. Perhaps the major example so far this year has been the closure by Litton Industries, the U.S. con-glomerate, of its two Imperial Typewriter factories in the U.K.

This Report was written by KENNETH GOODING

—at Leicester and Hull—a move which has put considerable equipment on the market.

This glut of nearly-new machines is giving the mer-chants a great deal to ponder on. To start with they must decide how much of their cash flow they can afford to tie up in these machines. The price structure for such machines—what the merchant should pay and how he can be sure of get-ting his money back with a reasonable margin—is also less well-established than for older equipment.

Certainly there is no shortage of cash available to industry and for the merchant who wants to keep building up stocks. But interest rates are already high and tend to be lifted above the average level when second-hand plant is involved.

And will the merchants be able to find customers for the nearly-new plant when the upturn in industrial activity gets under way again? The answer to this last question seems to be a tentative "yes." The merchants are already finding among their customers the kind of company which would not in ordinary circum-stances be in the market for second-hand plant or machines but would be buying new.

Many of the merchants' customers are the smaller engineering businesses which, quite frankly, could not afford to buy new equipment because the volume of output and turn-over they can expect would not justify the outlay. But second-hand equipment allows them to modernise their production techniques without crippling themselves financially.

This situation is presenting the merchants with an unusual problem in that much of the equipment is perhaps only two or three years old and often more sophisticated than they usually handle. Normally the trade is dealing with machines of between ten to 15 years of age, put on the market when companies decide to replace them with new equipment.

Prices

Now the larger concerns have become interested in second-hand machines because of the combined effects of the rocket-ing prices of new ones and the availability of nearly-new equip-ment on the second-hand market.

New machine prices have been rising at an average of more than 30 per cent. a year for the past couple of years, pushed up by the increases in raw materials costs and a much more commercial approach to pricing by many of the manu-facturers.

At the moment, however, the prices of second-hand machines are reflecting the recession. Competition among merchants is more severe than ever and they are for the time being having to accept lower-than-usual margins on the equip-ment they can sell.

During peak demand periods a conventional machine of up to five years of age which is in good condition and had been well maintained can fetch around two-thirds of the price of a new machine. This would be at a time when the delivery dates on new machines would be fairly long—a phenomenon not uncom-mon in the U.K. machine tool industry at the top of the de-mand cycle.

Machines between five and 15 years old could fetch perhaps 50 per cent. of the price of an equivalent new machine. After 15 years the value falls quickly to between one quarter and one third of the new machine price. This is not surprising in that the life expectancy of the average standard machine tool could not be much more than 20 years.

For sophisticated machine tools the differences between new prices and those asked by merchants for second-hand equipment can be extremely wide. This often is because the machine has been superseded by one using much more up-to-date technology. As a result a merchant will often find it a very difficult job to sell for £20,000, to quote a recent example, a sophisticated machine which had a £50,000 list price and was only two years old. He will also have to tie up a great deal of capital in such a machine. On top of all those problems the merchant might be much more well-qualified to deal with conventional machines than with the complex ones.

Guarantee

With conventional machines, the reputable merchant, while not giving a cast-iron guarantee with a machine, will make absolutely sure that the customer is satisfied with the performance of his purchase. It will usually be possible, in any case, for the potential customer to see the machine running before he buys.

One of the obvious questions the customer will ask himself when buying second-hand equip-ment, particularly that which is getting on a little in age, is whether spares are still avail-able should he need them. Reputable merchants will usually inform a potential buyer if there is a problem with spares. In any case, it is usually possible to check with the manufacturer by quoting the machine number what the spares situation happens to be.

Some merchants have actually set up their own facilities for manufacturing those spare parts for standard machines that are difficult to get hold of as part of the service they give customers.

Another part of that service is to locate the kind of second-hand plant and machinery that a customer requires. The flow of information between mer-chants is pretty free and so, therefore, is trading between them. That is true not only for the U.K. but, to a growing extent, also for Continental Europe and the U.S.

In periods of peak demand there is particularly heavy interest from the States and it is to the U.S. that there seems to be the biggest flow of second-hand plant for export. This is not a two-way traffic because, while it is likely that the kind of second-hand machines demanded by American customers can be found in the U.K., the reverse is not so true. In recent (good) years, too, there has been considerable trade in second-hand plant between the U.K. and West Germany.

Fortunately for the dealers in second-hand plant and equip-ment, the American and German demand cycles are usually just a little out of step with that of the U.K. This means they can reply to some extent on export trade to bolster them during the bad patches in the home market. And, according to some merchants, demand from the U.S. and Germany has been con-siderably more healthy than that from Britain during the past six months.

Credit arrangements

THE ODDS in favour of buying equipment on credit terms rather than paying cash for it become much more attractive at a time of roaring inflation. If taking credit can speed up the purchase then there can be a saving on the price. New machine tool prices have been going up at an annual 30 per cent. and the cost of second-hand machines is related to the new price. At the same time, money borrowed to-day is paid back with depreciated pounds some time in the future. This makes repayments progressively cheaper in real terms as they become eroded by inflation. To give but one example, a machine which to-day is selling at £26,450 will cost £65,816 in five years' time at an inflation rate of 20 per cent. a year. The value of a leasing or hire-purchase monthly rental would fall over the same period from £100 to £40.

Methods

The three most common methods of credit are bank overdrafts, hire-purchase and leasing. Bank overdrafts, as any banker will tell you, are really meant to cover short-term lending requirements and should not be used for medium or long-term investment of the type involved in plant and machinery purchase.

In theory at least an overdraft facility can be withdrawn or reduced almost overnight, although if this ever happens it is a very rare event. Bank managers do not operate that way and prefer to offer the overdraft facilities only to those companies that they feel will give no trouble over repayments.

But it remains true that overdraft facilities should usually be kept for day-to-day cash needs, for example for wages and stocks. The banks certainly *have plenty of cash available for* industry to-day. But they are still reluctant to lend it for the purchase of second-hand equipment. And in any other kind of credit arrangement, the lender will usually insist on a larger deposit and a higher rate of interest if the cash is to be used to buy used equipment.

With a hire-purchase agreement, this means the prospective borrower must do his homework and arithmetic carefully. In these uncertain times the finance houses which provide much of the hire-purchase cash have not escaped the storms which swept the so-called "fringe banking" sector. But *they still have money to lend.* What they must worry about most of all in to-day's conditions, is that the borrower will be in a position to pay throughout the term of the agreement. The finance houses do not want their bad-debt ratios rising, because of the recession.

So any company wanting a hire-purchase agreement will have to provide a very detailed account of what the equipment will be used for, about the market it is in, about its customers' markets, about its cash flow and so on.

However, once these details have been ironed out the finance house can give the go-ahead for a loan very quickly indeed. Plant and equipment of the type which appears on the second-hand market does provide the lender with the opportunity of repossessing if something should go wrong and *the borrower fails to pay up.*

Benefits

Where ownership is important, hire purchase is usually the most attractive method of acquiring machine tools. The purchaser has all the tax benefits of ownership and the finance charge is fully allowable against tax.

With both bank borrowing and hire purchase, the value in capital allowances depends on the company's ability to offset them against a taxable profit. But a company which expects to have a negligibe tax charge can get the benefits of capital allowances *which it could not other*wise take immediate advantage of through a leasing contract.

Leasing is an increasingly popular method of financing machine tools. It involves what essentially is a kind of hire agreement, usually over three to five years, which enables the user to take full advantage of the U.K. corporation tax system. Any contract which contains an option to purchase the equipment is hire purchase, not leasing, so names such as "lease purchase" and "lease with option to purchase" do not really make sense.

A leasing agreement is divided into two parts, the primary period and the secondary period. During the primary period the leasing company recoups the cost of the equipment plus a margin of profit. It is followed by a nominal secondary period during which the customer pays an annual rental of only 1 per cent. of the original cash price.

To benefit from the substantial tax advantages, the equipment never becomes the legal property of the user. The leasing company claims the capital allowances and these are then passed on to the user by way of reduced rentals. Moreover, since all the rentals are revenue expenses, the customer can offset them against tax.

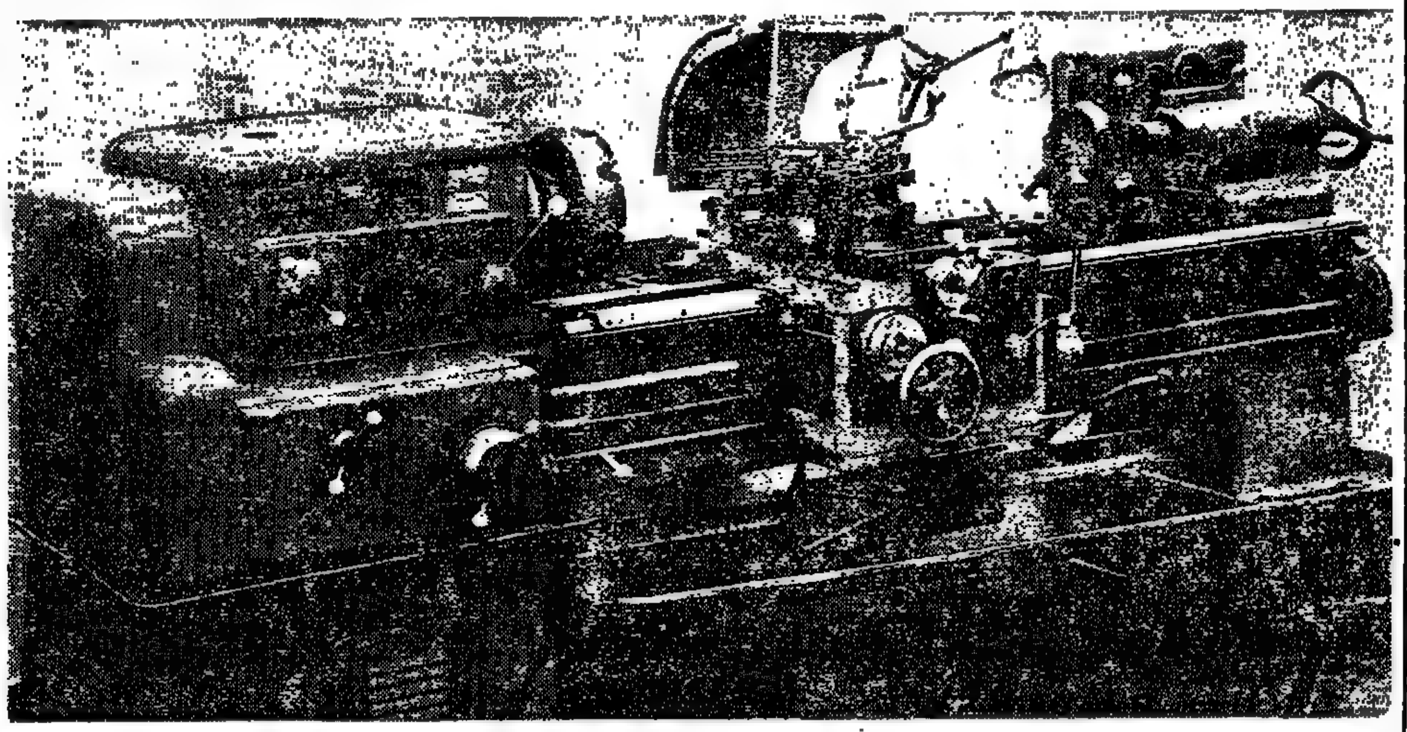
Therefore, if a customer is a limited company generating sufficient taxable profit, every rental is subject to corporation tax relief at 52 per cent. The net rental is therefore only 48 per cent. of the gross figure.

There are also several other substantial advantages in leasing machine tools. For example, Regional Development Grants are claimed by the finance house and reflected in the rental charges at the outset of the agreement. The lessee is in this way saved the usual year of waiting before the grant is paid and is further saved the time and money involved in claiming the grant.

Budgeting and book-keeping are simplified, and perhaps most important of all, it enables companies to use machine tools that would normally fall outside the scope of their capital budget. Justifying the outlay of a few hundred pounds in rental is much easier than justifying many thousands of pounds for an outright purchase.

This outline of the kind of credit facilities available and the way one type must be balanced against another shows why credit finance is now recognised as a vital part of everyday business management. Leasing and hire purchase protect both cash flow and increased profit earnings. Discounts, grants, part-exchange allowances and entitlement to tax reliefs are all safeguarded. To-day some of the largest international companies prefer to use credit finance rather than deplete their ca[sh] resources unnecessarily by [pur]chasing equipment out[right]. Some people claim that by [this] method new machines pa[y] themselves out of the [...] profits they generate.

Most of the dealers in se[cond-]hand plant and equipme[nt], certainly those belonging [to] the Association of Euro[pean] Machine Tool Merchants— do their best to obtain [...] customer advice on leasin[g and] hire purchase. And some o[f the] merchants have developed[, with] the help of banks or [...] houses, their own special[...] cial services which enab[le the] customer to have imme[diate] access to credit and gives [...] advice on which type of c[...] is most suitable for his n[...]



A Russian-built lathe ready for re-sale.

The sales approach

THERE ARE two main reasons why industry has come to rely on used machinery as well as new. The cost is obviously one prime consideration. There are many small companies in U.K. engineering which need machine tools but cannot afford new ones. Many of these companies are part of the structure of the engineering industry, an industry in which companies are particularly inter-dependent. This inter-dependence is highlighted at times of peak demand. If one company in the chain cannot match the output that is required then bottlenecks develop throughout engineering. The large manufacturers are left waiting for components and, in turn, they have to keep their customers waiting as order books lengthen. This hurts the export efforts and encourages imports at the same time.

It so happens that much of the second-hand equipment sold in the U.K. happens to be machine tools. It is also true that the British manufacturers have developed in the main a conservative approach to capacity. The cycle in demand has hurt them so often when it goes into the "trough" period that managements naturally take a cautious approach to a build up of new capacity. This leads to shortages and long lean times during the peaks in the cycle. And this provides another major reason why the business of selling second-hand equipment has blossomed in the U.K. over the past ten years. Second-hand equipment is readily available when the user needs it.

Then there is the question of flexibility. Special needs and changing production requirements can very often be accommodated by used machinery.

Metalworking machines rebuilt to manufacturers' specifications have an unusually long life expectancy if properly used and maintained to perform the work for which they were designed. The productivity and efficiency of many older machines can be improved by installing newer controls and attachments which allow more complex work to be carried out and the performance can often nearly match that of a new machine.

Because machine improvements are usually gradual, at least as far as conventional equipment is concerned, and are evolutionary rather than revolutionary, the machinery buyer will often find in the dealer's stock machines of the latest type and design. This is true even in normal times. During this particular recession, the growing number of bankruptcies and streamlining operations among manufacturers has brought more nearly-new machines on to the secondhand market than ever before.

Complexity

Anybody taking a quick look at the marketing of machine tools in the U.K. will probably be startled by its apparent complexity. There are the manufacturers who handle all their own sales and stand out steadfastly against using a merchant. Conversely, there are those manufacturers who insist on all sales being made through an agent.

Between these two extremes is a very large number of different sales approaches. There are the large machine tool building companies who are themselves active in the merchant trade through subsidiary companies. There are some manufacturers who sell through specific agents. Others will sell either direct or through merchants (who do not have exclusive distribution rights) and some handle part of the product range themselves and sell only certain models through agents (who do have exclusive distribution rights).

The merchant trade in the U.K. in recent years has been built up in spite of the reluctance of many of the British machine tool manufacturers to deal through merchants in the home market. So the merchants have developed their businesses by offering a good range of second-hand machinery and, often, by acting as U.K. agents for overseas machines.

As with the second-hand motor business, the reputable dealers in second-hand plant and machinery have had to struggle hard to overcome a pretty poor image. This they are gradually succeeding in achieving. The U.K.-based Association of European Machine Tool Merchants, for example, has drawn up a code of ethics by which members must abide. But the real test of the service they provide is that customers keep coming back.

One reason the customers do approach the merchants is because of the inter-trading network between them. Any merchant worth his salt can usually locate just the machine the customer requires quickly by using this network which can give him a complete picture of what second-hand machines are on offer.

The merchant trade argues that it is in a position to provide a valuable service to both the machine tool builder and the purchaser. From the user's point of view, the acquisition of a new machine tool is frequently part of a replacement exercise so there is often an existing machine requiring disposal.

Buying, reconditioning and selling used machine tools forms a substantial part of the activities of the merchant trade so the prospective buyer of a new machine is provided with a ready means of disposal for any plant surplus to requirements.

Part-exchange, leasing and finance for new purchases can often be arranged by a merchant, and in cases where two or more different machines are to be supplied a "turnkey" arrangement can be established so that the customer need only deal with one supplier.

This is not to say that the dealer in second-hand machinery plays as a particularly important part in engineering as the second-hand motor dealer does in the car business. The man who changes his car for a new one every two years or the fleet owner who is changing his vehicles relies heavily on the price he can get for his old vehicles to finance the new ones. This is not true of the new machine tool user. He replaces old equipment whether or not he can get any cash for it. If the manufacturer has done his arithmetic right the old machines should have paid for themselves and have been properly depreciated.

There is no doubt, however, about the value of the merchants providing second-hand machinery for the British engineering industry. Without the second-hand trade many small engineering companies would simply just not exist.

The merchants themselves also maintain that they are prepared to offer alternative makes with advantages of price or delivery and insist that this is part of the essential service needed by the user. The reputable merchant is vitally concerned with placing the best machine for the job, consistent with performance and price, before the buyer in the open market.

Expectations

Unfortunately, say the merchants, so many U.K. manufacturers—who should really have no fear whatever of competition—refuse to deal through merchants at all. The qualified entrepreneur with his hard-won experience and personal knowledge of the market demands and expectations is frequently in a very good position to determine the direction of the sale. He could have much to contribute to the British maker's business, the merchants insist.

The result has been that the growth of the merchant trade in the past decade in Britain has been through the sale of new foreign machines and second-hand equipment. This mixture has provided a number of entrepreneurs with the right recipe for building up extremely successful businesses.

Guidelines for merchants

about a year ago exactly party of 40 merchants the U.K. set off for :dam for the first-ever g outside Britain of the l of the Association of an Machine Tool ants. It was not long that the Association had orated the word "Euró- into its title and this art of a drive to further owth of AEMTM into a completely European organisation.

Most of the U.K. members of the association are small-to-medium-sized companies and nearly all of them deal in second-hand machinery. In the past two and a half years membership of the AEMTM has just about doubled.

By July this year the Association had 25 international members among its total membership of 179 and European merchants are taking an increasing part in its activities. When the AEMTM held a special conference in Paris to coincide with the international machine tool trade exhibition held there under the title "I EMO," there were between 20 and 25 people present from Germany, France, Switzerland, Holland and Austria. Some American representatives from the Association's "big brother" in the U.S., the Machinery Dealers National Association, were also there.

As it happens, there are some American companies in the AEMTM because they find it useful for locating used machinery in the U.K. for their customers in the States. The Assocation says in its handbook "our members hold large stocks of new and used machines of all types. Through the close co-operation which exists between us we are able to locate your requirements so as to offer the fastest possible delivery." It is this inter-trading aspect which the Americans can use and enables them to provide their customers in the States with an even bigger pool of used machinery to draw from.

Suitable

The Association says that most of its members have facilities for servicing the machines they offer and from their technical experience are able to advise buyers on the most suitable machine for the job. Members can also help with advice about leasing or hire purchase arrangements on the machines they sell and will often be able to help by their willingness to consider part exchange.

The Association has also developed a code of ethics which seeks to protect the best interests of the customers by setting out recognised standards of business conduct.

The code says that association members will: "Honour completely and sincerely all contracts and agreements in which we engage both in buying and selling, particularly when terms of payment have been mutually agreed.

"Describe and represent the machines we offer to the best of our ability as to: serial and model numbers; condition; specification and accessories.

"When offering machinery to which we do not have clear title we will endeavour to establish and advise the prospective buyer of any relevant circumstances which could affect the sale.

"When machines are sold with a guarantee and are proved to be defective (other than through the buyers' own action) the member will use his utmost endeavours to rectify the complaint.

"Shall honour every option and/or first refusal both as to price and date."

Mr. Frank Bongers, the first chairman of the AEMTM and also of Capital Equipment and Machinery of Staines, says: "The growth of the merchant trade in recent years is itself evidence of the satisfaction of machine tool buyers with the services provided. Many people might regret that this achievement has been based to some extent on the sale of foreign machines, but it must be remembered that this has been largely fostered by the reluctance of many British machine tool builders to employ the services of the merchant trade."

The machine tool builders who do hold out against using the merchant trade usually have two things in mind. The first is that they are not entirely *convinced that the merchants* "image" could not do with a bit more brightening. The Association is playing a major role in putting that right.

Then the makers of sophisticated equipment in the U.K. often claim that the merchants, while perfectly well able to handle conventional and standard machines, cannot possibly have the expertise required to deal with a broad range of sophisticated equipment and the electronics associated with them.

The Association would argue that this is not altogether valid as many merchanting organisations have demonstrated clearly that they are fully competent to handle the most modern equipment manufactured by foreign companies, including numerically controlled and other advanced types. They say there is no reason to suppose that this could not be the case also for British-built machine tools.

"The point to be stressed is that the reputable machine tool merchant is a marketing specialist who is concerned with ensuring customer satisfaction. He is not involved with the same problems as the machine tool builder and because he is a specialist he can often meet customers' needs more fully," claims Mr. Bongers. "Also, since the merchant may frequently trade on a more local basis then the machine tool builder, there is every chance of improved feedback of user experience leading eventually to an improved and more saleable product."

The machine tool industry generally has been pressing for some kind of Government scheme to at least take the worst elements out of the cycle of demand for its products. That cycle has done considerable damage to the industry and, through its "Little Neddy," the machine tool makers have put forward some suggested schemes which are currently under consideration. The problem is that the industry will have to wait until the current recession is over before it would be possible to put any of them into effect.

The AEMTM is pressing hard for second-hand equipment to be incorporated in any detailed scheme so that purchasers of such machinery might benefit from it.

The merchant trade also maintains that if British machine tool builders used its services to a greater extent it would help in alleviating some of the problems caused by the demand cycle.

By allowing merchants to hold stocks of general purpose machines a buffer store could be built up which could act as a cushion against rapidly extending delivery dates when demand was on the increase.

Declining

Similarly, in periods when demand was declining the merchant trade could provide an outlet for the makers' products and assist in helping them maintain production levels and forestall the need to reduce capacity.

While the merchant trade does not claim to offer a solution to this problem—which has blighted the machine tool industry for the past 25 years—it does reckon to be able to provide some relief.

Another current preoccupation of the Association is the problems that have arisen for its members over the new Health and Safety at Work legislation. This has put on the supplier of equipment the responsibility for its safety. But many users prefer to instal their own machinery guards and so on. And the different attitudes of individual inspectors have to be taken into account.

So the AEMTM is working out a code of practice at least to give some guidelines on how these tricky problems could start to be tackled.

A reconditioned boring machine on the market.

Growth of auctions

ONE INDICATION of the depths to which the current recession has pushed U.K. manufacturing industry is the big increase in the number of auctions of second-hand plant and equipment which has been a feature of recent months. One dealer received details of no less than 20 auctions last month—a very big jump on the usual total in more normal times.

The sad fact is that the situation is just a reflection of the number of companies going out of business altogether, perhaps through bankruptcy, and of others cutting down drastically on their manufacturing operations. So, while industrial output in the U.K. might be pretty low, the receivers and liquidators are working overtime.

It is the receivers and liquidators who provide the auctioneers who specialise in the sale of second-hand equipment with a good deal of their business. The tendency is for the particular accountant who is acting as receiver or liquidator of a business to use his favourite auctioneers to sell off the plant. "If you look after them and do a good job they will not switch their business away from you but come back again and again," said one auctioneer.

Dealers

At any auction of second-hand plant and equipment nine out of ten of the potential purchasers present will be dealers rather than people representing the end users of the machinery for sale. This is in spite of all the attention the auctioneers give to widely advertising particular auctions and their genuine concern that more people from outside the merchant trade should put in an appearance at them.

This is a great pity for, as the auctioneers insist, at the moment there are more bargains than ever to be acquired at auctions.

But it is easy to understand why the situation persists. Take the position of the works manager who knows what machine he wants to buy second-hand but has only a broad idea of what it might cost him. Unless he knows the way the auctions work, how can he be sure that he is not paying too much for the equipment?

Perhaps the main drawback for the machinery user who buys through an auction is that he will be given no guarantee with the equipment he purchases. When he buys from a dealer he at least gets some kind of assurance about the machinery even if he does not actually get a guarantee. A reputable merchant will always try to make sure that a customer does not suffer if, for some reason, the equipment fails to function properly.

Apart from the regular meetings between auctioneers and merchants at the auctions themselves, the connection between the two is pretty tenuous. To be sure, a number of auctioneering organisations have memberships of the Association of European Machine Tool Merchants and this provides a useful area of contact.

The exchange of information between auctioneers and merchants covers mainly the subject of prices — prices asked for and prices collected for second-hand equipment. The auctioneers and merchants exchange information about just how much was realised at particular auctions and on what dealers are asking for machines. This helps the auctioneers with one of their other main occupations — the valuation of equipment.

It is in this area of valuations that there has recently developed just a little friction between some merchants and some auctioneers.

The auctioneers have had to point out that the merchants should not get involved in valuations because there has been a growing tendency for merchants to offer this service even if they are not professionally qualified to do so.

The auctioneers, however, usually include valuations and surveys of factories and plant and machinery as an important part of their business. The tendency of unqualified merchants — unqualified that is in the professional sense — to get involved in this business has worried some of the auctioneers.

One dramatic feature of the auctioneering scene in recent years has been the way some American concerns have built up their businesses in the U.K.

They have been responsible for many of the really big auctions of second-hand plant and equipment. The most recent example was the auction of equipment from the Imperial Typewriter factories at Leicester and Hull. This equipment came up for sale after Litton Industries of the U.S. decided to close down U.K. manufacturing at the Imperial plants and have now done so in spite of a sit-in by some of the redundant workforce.

Foothold

The U.S. auctioneers have gained such a strong foothold because they can use a technique not open to the British firms to employ. The American auctioneer will himself buy all the second-hand plant and equipment that a client wants to sell. Then he will auction it, sometimes, but not always, offering a further percentage of the cash raised.

This approach often appeals to the sellers of large quantities of equipment who can collect money immediately and collect an assured sum right away rather than wait several months for the auction, or auctions, to be held.

The British auctioneers are forbidden by their code of ethics from getting involved in this type of operation. The U.K. code insists that, in effect, the auctioneer must not take a financial stake in anything he does for a client other than accepting straightforward fees and commissions.

The U.K. firms insist that a properly qualified British auctioneer who has been given the go-ahead to advertise the auction properly will do as well, if not better, for the client.

The U.S. auctioneer obviously takes a heavy risk in raising money on his own account to buy the machinery he will eventually auction. The money has to be paid for over the three months or so before the auction can be held. In view of all this, it would seem natural that the American auctioneer would want a bigger percentage return on the eventual cash raised from the sale.

The British auctioneers point out that they take only a small percentage of the money raised —it varies but it is a one-figure number — and so practically all of the cash goes to the client eventually.

In the end, it seems, it is up to clients to judge whether they would prefer cash in the hand straight away or an eventual higher return.

WALL STREET + OVERSEAS MARKETS

Early gains lost as rally peters out

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 18.

AN EARLY stock market advance ran out of steam in late trading to-day and prices closed with small losses as investors looked to Washington for developments on New York City's efforts to head off default next month.

A White House spokesman said President Ford would meet with New York Republican Congressmen later to-day to discuss the city's financial crisis.

The Dow Jones Industrial Average finished 1.42 down at 855.24 after being up 5.67 earlier. The NYSE Common Stock Index ended at $48.15 for a loss of 25 cents after being 21 cents ahead. Turnover totalled 20.76m. shares (17.66m. on Monday) and included 796 issues which declined, but only 646 which advanced.

Stocks got off strongly, and gained momentum in the morning, but the market began to pull back amid reports that President Ford still remained uncommitted to a Congressional plan to help avert a fiscal collapse by New York City.

The President was due to meet a New York Congressional delegation later in the day, but without a beacon to signal Administration intentions, investor support withered.

Other worries like Federal Reserve monetary policy and rising Treasury Bill rates also resurfaced but one bright spot was the U.S. Commerce Department's report that October housing starts rose 15 per cent, while building permits fell 0.3 per cent.

Xerox took a drubbing following a $5 point drop on Monday, and lost $2¼ more to $49⅞—a 1975 "low"—in heavy trading.

Among actively-traded issues, Gulf Oil slipped $⅞ to $21⅛. A 281,800 share block changed hands at $21. TransWorld Airlines closed unchanged at $7⅞—a 100,000 share block was traded at $7⅞.

SCM Corporation shed $1 to $10⅞—the company forecast lower second-quarter profits.

Atlas Corporation notched $⅛ to $3⅛. It has agreed to supply Houston Light and Power with uranium concentrate until the end of 1977 in a deal estimated at $35m.

Prices declined in light trading on the American Stock Exchange. The index fell 0.20 to 85.40, while declines led advances 353 to 285. Turnover expanded from 1.74m. to 1.81m. shares.

Greyhound Lines of Canada rose $1 to C$19¼ while Trizec Corp, on low volume, slipped $1 to C$12¾.

PARIS—Shares moved irregularly in fairly active trading, although some progress was seen towards the end of the session.

Banks, Holdings, Motors, Rubbers and Constructions all fell back to some degree, while Metals and Oils improved slightly.

Carrefour rose Frs.14 to Frs.1,799 and Saint-Gobain Frs.3.7 to Frs. 135.7, after saying it may maintain its dividend but Paribas lost Frs.2.8 to Frs.185, Peugeot Frs. 9.1 to Frs.295.1 and Michelin "B" Frs.18 to Frs.1,365.

Americans were mixed, with Eastman Kodak and IBM finishing higher, but Ford losing ground.

BRUSSELS—Prices rose in active trading as a result of the Rambouillet summit and some bear closing towards the end of the account.

Electrical and Chemical shares were particularly strong.

In Steels, Cockerill rose B.Frs.26 to B.Frs.934, while in Metals, Union Minière rose B.Frs.18 to B.Frs.1,174 and Hoboken B.Frs.60 to B.Frs.3,630.

AMSTERDAM—Widespread demand produced a strong rally, with Unilever up Fl.4.60 at F.112.5, Akzo up Fl.0.50 at Fl.39.4 and Philips up Fl.0.40 at F.27.8 among Dutch Internationals.

Royal Dutch rose Fl.0.70 to Fl.98.1.

Leading gainers elsewhere were KLM—which yesterday announced the first rise in its load factor this year—Gist, and Ahold.

Giessen Fokker Oce and Ennia were isolated losers.

OSLO—Banks and Insurances steady. Shippings quiet.

VIENNA—Prices moved slightly higher with only Voestauer losing ground.

COPENHAGEN — *Mixed, with* gains in a slight majority. Industrials were a little lower.

GERMANY—Prices were firm in fairly active trading amid increased foreign investor interest.

Steel shares made large gains: Kloeckner DM3.50 to DM108, Hoesch DM2.30 to DM53.80 and Thyssen DM2 to DM95.

Chemicals gained fractionally, but Bayer rose DM1.40 to DM127.50.

SWITZERLAND—Prices edged higher in moderately active trading. Major Banks rose on some buying support.

Bally Bearer and Interfood "B" firmed in Financials, while Insurances were very steady—apart from Zurich Bearer (down *Sw.Frs.50 at Sw.Frs.9,550*).

Industrial leaders made small gains including Nestle Bearer and Hero.

In fairly active Foreigns, dollar stocks moved moderately higher, led by Burroughs, Corning Glass and Dupont.

MILAN—The market closed irregularly higher in more active end-Account trading.

Fiat advanced L.35 to L.1,143, Montedison L.10 to L.482, Generale Immobiliare L.750 to L.41,500.

Both Olivettis and Assicurazioni Generali also gained, but Bastogi, Mediobanca and Pirelli Spa eased slightly.

HONG KONG—Sharply higher in more active trading—encouraged by the firmness on Wall Street and London overnight.

Among leading issues, Swire Pacific attracted particular interest, with a 25 cents gain to HK$6.10.

TOKYO—Prices closed slightly higher in active trading, helped by the successful conclusion of the Paris summit talks.

The market average rose 6.29 to 4,318.36; volume was 210m. shares (130m. on Monday).

Blue Chips and particularly export-orientated shares led to the rise.

By sector, Automobiles, Ceramics, Machineries, Electricals and electric powers were firm, but Chemicals eased in line with Kureha Chemical—down Y29 to Y289, after recent sharp rises.

AUSTRALIA — Most leading Industrials and Mining stocks closed lower, although some Industrials made small gains.

Banks and Finances were irregular. The Bank of NSW gained 6 cents to $A6.46 but National Bank was off 5 cents at $A2.95.

Hooker lost 3 cents to $A1.25 and Tooth 2 cents to $A1.52. Woodside Burmah eased but Gollin regained a further 2 cents to 15 cents.

JOHANNESBURG—Gold shares finished lower, reflecting the lower bullion prices abroad.

St. Helena dropped R2 to R24.50, Free State Geduld 75 cents to R25.00 and Western Holdings 50 cents to R30.75.

In Mining Financials, Anglo-American dropped 20 cents to R4.30 and Union Corp. 5 cents to R4.70.

Industrials were marginally lower in light trading.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Nov. 18	66.83	174.45	855.24	83.37	20,760
17	66.85	174.57	856.66	83.22	17,660
14	66.75	173.43	853.67	83.56	16,460
13	66.75	173.83	851.25	83.40	25,070
12	67.53	173.22	852.25	83.02	25,960
11	66.71	170.03	832.55	82.67	14,640
10	66.60	169.62	836.48	82.57	14,910
7	66.53	169.98	835.80	82.73	15,930
6	66.57	169.58	840.92	82.89	18,600
5	66.60	168.18	836.27	82.66	17,390
4	66.56	167.61	830.13	82.44	11,670
3	66.67	166.26	836.72	82.31	11,400
Oct. 31	66.56	166.38	836.04	82.65	12,910
30	66.65	166.67	839.43	81.96	15,030
29	66.46	166.25	838.68	82.03	16,110
28	66.51	166.54	851.46	82.66	17,060
27	66.56	166.75	838.48	82.44	13,100
1975 High	68.92 (4/4)	174.45 (18/11)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Nov. 17	Nov. 7	Nov. 1 1974
4.43	4.60	6.71

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Nov.18	Nov.17	Nov.14	Nov.13	Nov.12
51.24 (15/7)	37.06 (2/1)	48.15	48.40	48.16	48.20	48.22

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,875	646	796	433

	Nov 18	Nov 17	Nov 14	Nov 13	Nov.12
New Highs	105	84	86	113	87
" Lows	25	14	8	11	17

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Nov 18	Nov 17	Nov 14	Nov 13	Nov.12
96.00 (15/7)	62.20 (2/1)	85.40	85.60	85.66	85.66	85.28
Volume (000's)		1,810	1,740	1,550	2,220	2,290

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 18	101.90	91.08
" 17	102.42	91.46
" 14	101.98	90.97
" 13	101.88	91.04
" 12	102.20	91.19
" 11	100.67	89.87
" 10	100.05	89.34
" 7	100.05	89.33
" 6	100.32	89.55
1975 High	107.40	96.21
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Nov 12 1975	Nov. 5 1975	Nov. 13 1974
Ind. Ord. yield pc	3.89	3.79	4.82
Ind. Ord. p/e ratio	12.03	11.76	8.46
Long-term Govt. Bds. per cent.	8.07	8.06	8.56

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Gulf Oil	307,900	21⅛	—⅞
Westinghouse	254,600	11	—⅛
Xerox Corpn.	248,300	49⅞	—2¼
TWA	184,000	7⅞	—
Southern Co.	169,200	14⅞	—
Citicorpn.	155,500	29⅞	—⅛
Amer. Tel. and Tel.	137,900	50⅞	—⅛
Holiday Inn	132,300	15⅞	+⅛
Texaco	128,000	23⅛	—⅛
Pan Am.	124,800	3⅞	—⅛

TORONTO

INDUSTRIAL INDEX

Nov. 18	Nov. 17	1975 High	1975 Low
177.72	177.99	198.30 (15/7)	139.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Nov. 18	Nov. 17	1975 High	1975 Low
182.55	182.38	205.61 (15/7)	150.93 (2/1)

COMBINED INDEX

Nov. 18	Nov. 17	1975 High	1975 Low
179.87	179.80	198.00 (12/7)	158.05 (3/1)

JOHANNESBURG

	Nov. 18	Nov. 17	1975 High	1975 Low
Industrials	211.9	214.5	238.9 (16/7)	183.2 (23/1)
Gold	219.4	229.4	379.5 (2/1)	203.3 (10/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Nov. 17	Nov. 15	Nov 6
On Dividends	6.45	6.45	6.59
On Earnings	11.45	11.43	11.01

SYDNEY ALL ORD. INDEX

Nov. 18	Nov. 17	High 1975	Low 1975
403.89	405.80	422.48 (14/10)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Nov. 18	Nov. 17	High 1975	Low 1975
315.98	315.59	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

Nov. 18	Nov. 17	High 1975	Low 1975
316.97	310.79	341.57 (9/6)	160.42 (3/1)

SINGAPORE INDEX §

Nov. 18	Nov. 17	High 1975	Low 1975
250.16	250.06	268.69 (11/3)	154.26 (6/1)

EUROPE

	Nov. 18	Previous	1975 High	1975 Low
Belg'm (a)	100.02	98.91	111.81 (16/5)	89.07 (2/1)
Denm'k (b)	97.97	97.80	98.02 (14/11)	73.08 (15/1)
France (d)	67.00	67.00	72.6 (23/4)	51.70 (3/1)
Germ'y (e)	750.3	749.7	760.3 (18/11)	573.0 (3/1)
Holland (f)	89.6	89.6	101.6 (6/6)	83.2 (2/10)
Italy (g)	79.95	79.68	108.96 (21/2)	76.41 (17/10)
Spain (h)	106.79	—	110.96 (22/4)	91.85 (19/9)
Sweden (k)	407.82	404.79	409.31 (12/11)	310.66 (8/1)
Switz'rl'd (m)	267.5	265.5	290.1 (6/5)	206.1 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

OTHER MARKETS

Golds down in Canada

The Gold Index was more than 12 points lower at 238.42 as other sectors rose in light mid-day trading on Canadian markets yesterday.

Western Oils gained 1.24 to 203.08, Papers 1.31 to 97.03, Banks 0.76 to 268.60, Industrials 0.43 to 178.42, Utilities 0.28 to 126.78 and Base Metals 0.11 to 73.60.

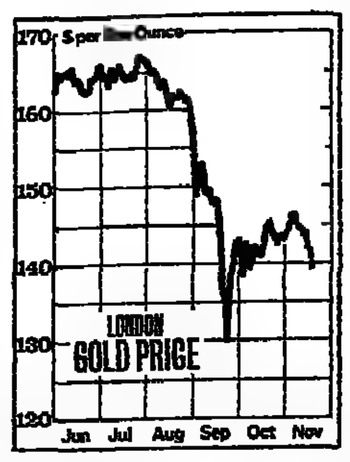
+ FOREIGN EXCHANGES

Gold lower

Gold fell sharply in the London *bullion market* yesterday, losing $2¼ to close at $138⅝-139⅝ an ounce, its lowest level since October 8. The metal lost ground in the morning over fears of U.S. Treasury gold sales and remained steady at its lower level for some of the afternoon until there was further selling pressure with the opening of the New York market. Krugerrand also lost ground, finishing at $142½-144½ (£70-71) for domestic delivery from the previous $145-157 (£71-72).

The pound's trade weighted average depreciation since the Washington Currency Agreement (as calculated by the Bank of England), remained unchanged at 29.7 per cent. although the depreciation at noon stood at a record low of 29.8 per cent. Sterling lost a little ground to some major currencies, but recorded a gain of 35 points in terms of the U.S. dollar to close at $2.0355-2.0365, which reflected a steadying of the latter's recent advances. The dollar's trade weighted average depreciation against 14 units, since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York, on noon rates, eased to 2.20 per cent. from the previous 2.03 per cent.

The pound's depreciation on a similar, Morgan Guaranty, basis remained unchanged at 36.34 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Nov. 18	Nov. 17
Sterling	0.577071	0.575845
U.S. dollar	1.17457	1.17599
Belgian franc	46.1635	46.0870
Deutsche mark	3.06269	3.05710
French franc	5.20853	5.21169
Italian lira	800.646	801.114
Japanese yen	355.542	356.031
Dutch guilder	3.14197	3.14107
Swedish krone	5.19101	5.18612

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 18	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.610-611	58.72-32	6.650-662	5.308-316	97.37-47	97.57-67
N. York	38.40-43	—	22.55-67	2.4665-710	2.0570-75	37.44-47	37.55-57
Paris	170.075-475	4.4295-4395	—	11.275-335	9.02-9.04	165.85-6.25	166.05-6.36
Brussels	15.07-10	39.29-32	8.85-87	—	80.02-15	14.69-72	14.72-75
London	5.31¼-32¼	2.0355-65	9.02¾-03¾	79.90-80.10	—	6.44½-45½	6.42¼-43¼
Am'erdam	102.61-63	2.673-676	60.31-36	6.80¼-80¾	5.4430-85	—	100.185-345
Zurich	102.27-40	2.671-672¼	60.12-18	6.79-80	5.436-440	99.85-75	—

U.S. $ in Montreal. U.S. $=101.34-36 Canadian cents.
Canadian $ in New York. $ C=98.68-70 U.S. cents. U.S. $ in Milan 681.70
Sterling in Milan 1,388.65.

EURO-CURRENCY INTEREST RATES*

Nov. 18 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11¾-12¼	5¼-5⅝	7⅛-8⅛	2⅝-2⅞	3¼-3⅝	⅞-1
7 days notice	11¾-12¼	5⅜-5⅞	[illegible]	2⅝-2⅞	3¼-3⅝	⅞-1⅛
Month	11¼-11⅝	5⅝-6⅛	8¼-8¾	4⅝-4⅞	4⅝-5⅛	1-1½
Three months	11⅝-11⅞	6⅞-7⅛	8⅞-9⅛	5-5¼	4¼-4⅜	3⅛-3⅝
Six months	11⅞-12¼	7⅜-7⅞	8⅝-9⅛	5¼-5½	4⅛-4⅜	3⅞-4
One year	12⅛-12⅞	7⅞-8⅜	9¼-9⅜	5⅞-6⅛	5⅛-5⅝	4⅛-4⅝

Euro-French deposit rate short-term 6½-6⅞ per cent.; seven days' notice 6½-6⅞ per cent.; one month 6½-7 per cent.; three months 7⅝-7⅞ per cent.; six months 8-8⅛ per cent.; one year 8⅛-8⅜ per cent.

Longer-term Eurodollar deposit: two years 8¾-8⅞ per cent.; three years 9-9⅛ per cent.; four years 9¼-9½ per cent.; five years 9½-9⅝ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5⅝-5⅞ per cent.; three months 6⅟₁₆-6⁹⁄₁₆ per cent.; six months 7⅛-7⅜ per cent.; one year 7⅝-7⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 18 1975	Nov. 17
Gold Bullion (a fine ounce)		
Close	$138⅝-139⅝	$141¼-[illegible]
Opening	$139⅝-140½	$141¾-[illegible]
Morning fix'g	$140.40 (£68.939)	$142.10 (£69.561)
Afternoon fix'g	$139.25 (£68.407)	$142.00 (£69.659)
Gold Coins (domestically)		
Krugerrand	$142½-144½ (£70-71)	$145-147 (£71-72)
New sov'r'gns	$43¼-45¼ (£21¼-22¼)	$45½-47 (£22¼-23)
Old sov'r'gns	$43¼-45¼ (£21¼-22¼)	$45¼-47 (£22¼-23)
Gold Coins (Int'rn'nly)		
Krugerrand	$143½-145½ (£70½-71½)	$145-147 (£71-72)
New sov'r'gns	$42½-43½ (£20¾-21¼)	$43-44 (£21-21½)
Old Sov'r'gns	$42½-43½ (£20¾-21¼)	$43-44 (£21-21½)
$ 20 Eagles	$222-225	$225-228
$ 10 Eagles	$113-116	$114-117
$ 5 Eagles	$73-76	$74-77

FOREIGN EXCHANGES

Nov. 18 1975	Bank Rates %	Market Rates: Day's Spread
New York	6	2.0325-2.0405
Montreal	8¼	2.0610-2.0705
Amst'rdam	4½	5.43¼-5.49¼
Brussels	†6	79.80-80.30
Copenh'gen	7½	12.28-12.38
Frankfurt	3½	5.29-5.33
Lisbon	6½	54.70-55.10
Madrid	†7	120.20-121.30
Milan	8	1,385-1,390
Oslo	6	11.29-11.33
Paris	8	9.02-9.05
Stockholm	6	8.80-8.87
Tokyo	6½	612-622
Vienna	6	37.50-37.90
Zurich	3	5.42-5.46

† Basic discount. ‡ Rates given are for convertible francs; closing financial [illegible] 82.10-82.35.

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—107¾% (108¼%)

NEW YORK

CANADA

GERMANY ◆

PARIS

BRUSSELS

AMSTERDAM

SWITZERLAND ●

MILAN

AUSTRALIA

TOKYO ¶

JOHANNESBURG

SPAIN ♥

STOCKHOLM

COPENHAGEN

VIENNA

OSLO ◆

FARMING AND RAW MATERIALS

eak citrus ales for . Africa

Our Own Correspondent

OHANNESBURG, Nov. 18.

Gustav van Viejeren, chair- of the South African Citrus ange, announced to-day that 1975 export season—just d—was the best ever experi- d by citrus producers.

t only was the quantity the st ever sold, but proceeds export sales were a record. total exports would be over ı. cartons, some 2m. ns more than 1974, which in itself a record export

The industry's total gross over would exceed R123m. st just over R100m. last n.

e devaluation of the Rand have some effect on the ers' income, but it was not y significant as the bulk of rop had already been sold. effect of devaluation on the season would be eroded by rise in packing, production distribution costs, as well as ased costs of ocean freight overseas distribution ges.

yprus grape nporters be sued

Our Own Correspondent

ANKARA, Nov. 18.

TURKISH Cypriot admini- ion has decided to sue rters of Cypriot grapes in in and other European tries on the grounds that partly emanate from vine- owned by Turkish iots. The owners had fled, pted to live, in northern us after the war of 1974 h divided the island into the administration says.

Turkish Cypriot spokesman ted that the sales were l because importers were ng stolen goods. He said 40 cent. of the island's vine- were owned by Turkish iots who were unable to get proceeds from exports made reek Cypriots.

eek Cypriots have sued rters of citrus fruits from north on grounds that they from orchards owned by ks who fled to the Greek- south. They have won t a dozen cases in Britain

LAYSIA RUBBER

UALA LUMPUR, Nov. 18.

bber production in West ysia fell in September to 81 tonnes, from 131,872 in ust and 122,894 in September year, Statistics Department es show.

ter

Sharp downturn in British beef demand forecast

BY PETER BULLEN

BRITAIN'S BEEF consumption could slump from last year's 1.24m tons to as little as 900,000 tons by 1980, Mr. George Allen, Aberdeen University's Professor of Agricultural Economics forecast yesterday.

"If as a nation we come to accept the policies necessary to ensure our economic revival it is quite likely that we shall not be able to afford much more meat in 1980 than we did ten years earlier" he told the Meat and Livestock Commission's conference at Stratford-upon-Avon.

"British farmers should look for a domestic market over the period 1976-80 not much higher than the 940,000 tons averaged from 1970 to 1973, and well below the 1.2m. tons achieved in 1974.

Professor Allen said: "The next five years will see a stagnant demand for meat in the U.K. There will be some inroads of meat substitutes — not simply soyabean based foods, but also cheese

However, there would be a strong upward trend in the export market for British beef to other Common Market countries averaging 80,000-100,000 tons a year between 1977 and 1981. Even if the EEC's economic growth did not return to the rapid rate achieved up to 1973, there was likely to be a beef deficit of 500,000 tons which Britain could exploit if its farming industry had the resources and incentives to expand

Cyclical shortage

The prospects were quite strong for the EEC's cyclical shortage of red meat in early or mid-1977 to be as great as that in 1972-73. "The cyclical imbalances need to be watched closely in the next 12 months or so. World feedgrain harvests in 1976 will be a most critical influence. Continued feed shortages, coupled with reviving economic activity throughout the West, would set the stage for severe red meat shortages in 1977 and 1978."

On the problem of world hunger, Professor Allen said reduced meat consumption in the West, to reduce indirect consumption of grain, would not bring much help to the Third World unless there was a matching increase in purchasing power among poorer countries.

"It is a mistake to confuse cause and symptoms," he said. "If famine coincides with a world grain shortage, rationing of feed for animals in the northern hemisphere will be necessary. Indeed, the present world grain situation is so tight that such an action must be recognised as a significant possibility within the next 15 months."

Dr. Ken Baker, MLC's livestock director, supported Professor Allen's view, adding that Britain should exploit its most important crop—grass—which produced over £1bn. worth of livestock products a year. Beef production from grass had been criticised as an inefficient method of converting feed into meat, he said. But he rejected claims that 9 lbs of cereals were needed for each pound of weight gained by cattle.

Total consumption of concentrates per pound of liveweight ranged, on average, from 5.4 lbs in the most intensive cereal (barley beef) system, down to only 1.8 lb in the more extensive production of two-year-old beef from suckler herds, he claimed.

More countries join Cipec

BY JOHN EDWARDS, COMMODITIES EDITOR

THE ELECTION of three new members to the intergovernmental Council of Copper Exporting Countries (Cipec), and a move towards closer liaison with consumers, was reported from Lima yesterday.

At the same time, Mr. Axon Soko, Zambian Industry and Mines Minister, demanded a fairer price for copper and attacked the London Metal Exchange as a pricing medium.

He claimed that copper-exporting countries would continue to experience fluctuating copper prices as long as the LME operated under the present system. The LME did not reflect the true supply-and-demand situation, and was not responsive to change, he added. "The gentlemen of the Exchange do not seem to care whether primary producers get a fair return on their heavy investment," Mr. Soko declared.

Pointing out that the Ministerial meeting of Cipec was being held against the background of the worst economic recession since the last world war, Mr. Soko said a mutual agreement between the producer and consumer was the ultimate way out of price instability.

The organisation formally accepted Indonesia as a new full member and Australia and Papua New Guinea as associate members. The four founder members of Cipec are Chile, Peru, Zaire and Zambia.

Australia's chief delegate, Mr. Alec McGoldrick, said his country fully supported the need for international action to stabilise copper prices. A lasting solution could only be based on agreement between producing and consuming countries.

Mr. McGoldrick said the Cipec meeting would discuss the establishment of an international buffer stock as a means of maintaining "acceptable" price levels. "We stand ready to examine this and any other suggestions."

Reuter reported from Lima that a representative of the International Monetary Fund, Mr. George Brown, said world financial organisations would be willing to help Cipec to set up funds for a buffer stock if the member countries agreed to a dialogue between importers and exporters.

Cipec sources said they would need about $1bn. to establish the buffer stock.

Informed sources at the talks said Chile had argued in favour of lifting a 15 per cent. production cutback agreed by the inter-governmental committee of Cipec last April, but Zambia and Zair had said that lifting the measure would almost certainly cause prices to fall further.

The LME copper market yesterday remained unmoved by the reports from Lima. It is felt generally that, whatever might be said, there is little that can be done to influence prices in view of the continued very poor demand and huge surplus stocks held worldwide.

In a quiet day's trading mainly influenced by speculative activity, copper cash wirebars lost £7.5, to £570.5 a tonne.

World food situation 'improving'

By Our Commodities Staff

A 2 PER CENT. increase in world grain production prospects suggests a "substantial improvement" in the world food situation, according to Mr. Richard Bell, U.S. assistant Secretary of Agriculture, Reuter reports from Washington.

Course grain output is expected to rise by about 4 per cent., to 592m. tonnes, but wheat production is unchanged at about 349m. World milled rice output is expected to reach a new peak of 232m. tonnes, 4 per cent. above last year's figure.

World oilseed production would also increase substantially, with a 9 per cent. rise in oilseed meal output and 7 per cent. in vegetable oil. World milk output would match last year's levels.

Raw sugar production would be 4m. to 6m. tonnes higher. Meat production in major exporting countries would exceed the 1973 record levels, although the output of major importing countries would drop about 3 per cent.

Mr. Bell said he hoped the USSR would buy even more U.S. grain soon, in addition to the 13.1m. tonnes already purchased. Soviet officials were still negotiating with American wheat traders, Mr. Bell said, reports UPI.

Record rice crop forecast

WASHINGTON, Nov. 18.

U.S. RICE farmers had produced a record crop at a time when harvests in Asia were also setting records, the U.S. Department of Agriculture said here.

Thanks to a favourable monsoon season in Asia, it appeared that the world's 1975 rice crop would be around 4 per cent. more than last year's 328m. tonnes, said Mr. James J. Naive of the Department's economic research service. A good part of the expected increase was in South and East Asia, particularly India, Indonesia and Bangladesh.

The U.S. rice crop was estimated at a record of 124m. cwt—equal to about 5.6m. tonnes—an increase of 9 per cent. from 1974.

Mr. Naive said that, despite the improved harvest, Asia's rice consumption requirements increased by at least 2.5 per cent. a year so that, even with a large crop, only a limited rebuilding of stocks was expected.

AP-Dow Jones

KENYA ECOLOGY

Famine looms where forests disappear

BY OUR NAIROBI CORRESPONDENT

KENYA IS suddenly beginning to realise that its precious forests are dwindling fast—probably with no hope of recovery. Desert and drought is here already, spreading down from Somalia and Ethiopia.

The rape of Kenya's trees may hasten the process, conservationists say. For development-conscious Kenya, it is a struggle between commerce and conservation.

Forests are disappearing fast before commercial and industrial felling, the spread of cash crop plantations and the settlement of small farmers on land once clothed with splendid trees There is a constant drain on forest resources in the manufacture of charcoal for millions of domestic fires; people must cook and keep warm in cold nights.

Conservationists warn that large deserts exist already in the arid north, only a few hours drive from Nairobi and the fertile Rift Valley. In some parts of the country drought is virtually endemic.

There is plenty of evidence that new deserts could be created by denuding the land of forest cover. This results in soil erosion, diminishing rainfall, failing vegetation and the flight of ecologically important animals and birds.

Desert

Forest covers 3 per cent. of Kenya, compared with the world average of 10 per cent. Among equatorial countries, however, it is a relative desert. Yet tree felling goes on inexorably. How can it be stopped and development maintained?

In 1963 the recorded area of forest was 1,726m. hectares. Today it has diminished to 1,664,600 hectares, in spite of fairly intensive government replanting. Where do all the trees go? The question has started a lively controversy among conservationists.

It is difficult to point a finger and say: "tree felling is immoral and ought to be stopped." An industrial country needs timber, people need wood for warmth and cooking.

Can a small farmer, who has acquired a hillside plot, be blamed for cutting down trees to enlarge his planting area? He needs food crops, cattle and a bit of land for a cash crop.

Flying over the fertile "white highlands, where the big estates have been carved up for resettlement, you can see whole hillsides, once covered with trees, now bare and blasted.

Kenya is a commercially minded country trying to feed its exploding population and maintain itself with a minimum of imports. A major consumer of forests — a huge paper mill — has just started operations at Webuye in the middle of a splendid forest in an attempt to cut increasing imports of paper.

But where imports are cut so are the trees. The mill will consume about 300,000 cubic metres of timber a year, rising annually Replanting is in the agreement, but can it ever catch up with consumption?

Kenya now has 60 large mills engaged in sawing, felling and pole cutting. Timber is being exported to the Middle East and last year the trade was worth nearly £400,000. Three plyboard mills with an annual capacity of 1.7m. cubic metres are increasing their production and a new fibreboard factory will also contribute to the destruction of the forests.

Damage by fire must be added to this, some 69,200 hectares being burned down in 1974—representing an estimated loss of K£1.5m.

But when the firewood collection and charcoal burning situation is explored, it shows what an appalling problem confronts Kenya, and other African countries. Charcoal is used by millions of Kenyans who are too poor to buy any other kind of fuel, or to whom any other kind is unavailable. It is estimated that about 235,000 cubic metres of charcoal and firewood is taken from forest and woodland every year.

Charcoal

Charcoal burning has become a highly charged emotional subject in Keya, discussed with as much passion as that generated by ivory poaching. It has split Kenya into two camps: one side is against charcoal burning because it leads to the indiscriminate destruction of woodland without even the insurance of replanting.

The other argues that charcoal burning is a legitimate economic resource, giving employment to thousands. Trees are serving as cash crops, millions of Kenyans buying charcoal because there is nothing else to use for fuel.

But these fuel supplies are running out as fast as the forests are denuded. Kenya is suffering from what researchers at the Worldwatch Institute in Washington have described as "a new energy crisis," the growing scarcity of firewood throughout the underdeveloped world.

The Institute has found that cutting trees for fuel has contributed to the southward advance of the Sahara Desert, where drought has taken hundreds of thousands of lives in the past few years.

It is happening in Kenya too. Already in Nairobi, charcoal sellers have to travel a hundred miles outside the city to buy supplies. A few years ago there was enough wood within a 20-mile radius. And a bag of charcoal which cost 14 K.sgs two years ago now costs double that.

U.S. may call for palm oil import curbs

KANSAS CITY, Nov. 18.

THE U.S. Administration may ask palm oil exporting nations to limit shipments to the U.S., said Mr. Richard Bell, Assistant Secretary of Agriculture. The large volume of imports into the country was a difficult problem, he said.

"As we go into a heavy livestock feeding period, one of our biggest problems is imported palm oil. We expect to be crushing more soyabeans to get the soyabean meal to feed our livestock. This means more soyabean oil at the same time."

But the U.S. was now importing palm oil faster than it was exporting soyabean oil, Mr. Bell said.

Mr. Bell said total U.S. grain and livestock feed supplies this season were about 285m. tonnes, compared with 290m. in 1972-73 — the time of the last big Soviet purchases. "About 27m. tonnes less would be fed to livestock at home, so the total available would be about the same."

Mr. Bell estimated that total Soviet grain purchases from the U.S. this season would be about 15 to 17m. tonnes.

Reuter

COMMODITY MARKET REPORTS AND PRICES

ASE METALS

PER—Last ground on the London Exchange. Prices opened lower the weak close to the U.S. overnight with forward metal g at £592. The price then rallied to helped by modest trade interest but of follow through and speculative then caused a fresh setback. g sales and stale bull liquidation the forward price to £589 following lower opening of the U.S. market a recovery to £590 occurred on the noon Kerb. Turnover, 10,800 tonnes.

Amalgamated Metal Corp. reported that in the morning cash wirebars traded at £571.5, 72, 73.5, three months £594, 93, 92.5, 93, 94, 93, 92.5. Cathodes: cash £558, 58.5, three months £579. Kerb: Bars: cash £571.5, three months £592. Cathodes three months £578. Afternoon: Wirebars: cash £570, 70.5, three months £589 to 90.5. Cathodes: untraded. Kerbs: Bars: cash £570.5, 70, three months £591, 90.5, 90.

PER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
bars				
......	571.5-2	−4.25	570-1	−7.5
nths..	592-.5	−5	590-.5	−8.5
m'nt	572	−4.5	—	......
odes				
......	558-.5	−4.5	556-7	−8.25
nths..	578-.5	−5.25	576-7	−8.75
m'nt	558.5	−4.5	—	......
......	—	......	*63-63.7	......

TIN—Lower on balance. After the initial upward movement which did not fully reflect the further rise in Penang overnight prices turned easier owing to profit-taking and freer offerings of metal which were reflected in a widening of the contango. Forward metal, after touching £3,180 fell to £3,143 before ending at £3,148 on the afternoon Kerb. Turnover, 1,020 tonnes.

Morning: Standard: three months £3,148, 50, 48, 47, 46, 48. High Grade untraded. Kerbs: Standard: three months £3,149. Afternoon: Standard: early Jan. £3,120, mid-Jan. £3,125, three months £3,145, 42, 48, 45. Kerbs: Standard: all carries. High Grade untraded.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grade	£	£	£	£
Cash	3081-2	+10.5	3080-2	−8.5
3 months	3145-6	+18.5	3144-8	−2.5
S'ment	3082	+10	—	......
Standard				
Cash	3081-2	+10.5	3080-2	−8.5
3 months	3145-6	+18.5	3144-8	−2.5
S'ment	3082	+10	—	......
Straits E.	‡$969½	+5¼	—	......
New York	—		*301.50	......

LEAD—Drifted in quiet trading in line with the easier tone of copper. Turnover 4,126 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	163.75-4	−.25	163.5-.75	−1
3 months	171-.25	......	170.75-1	−.75
S'ment	164	−.25	—	......
N.Y. Spot	—	......	19-22½	......

Morning: cash £164.25, 64, 63.75, three months £171.5, 71. Afternoon: cash £163.25, 63.5, 63.75, three months £170.75. Kerb: three months £170.5.

ZINC—Easier in line with the general trend. Turnover 1,975 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	343.5-4	+.375	343.75-4.25	−1.75
3 months	355.75-6	+.5	355.75-6	−1.62
S'ment	344	+.5	—	......
Prm. West	—	......	*38½-9	......

Morning: cash £344, three months £356, 56.25, 56. Kerb: three months £356, 56.5. Afternoon: cash £344, 43.5, 44, 43.75, early Jan. £350, three months £356.25.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 0.9p a ounce lower for spot delivery in the London bullion market yesterday at 211.4p. U.S. cent equivalents of the fixing levels were: spot 430.6c, down 2.7c; three-month 439.1c, down 1.8c; six-month 447.9c, down 2.7c; and 12-month 468.6c, down 2.5c. The metal opened at 210.3-211.3p (428-430c) and in quiet trading saw a high for the day of 211½-212½p (430½-432½c) before easing at the close to 209.8-210.8p (427-429½c).

SILVER per troy oz.	Bullion fixing prices	+ or −	L.M.E. close	+ or −
Spot	211.4p	−0.9	211p	−2.4
3 months	218p	−0.9	217.7p	−2.35
6 months	224.5p	−0.9	—	......
[illegible]	—	......	226.75p	−2.5
months	238.9p	−0.9	—	......

LME—Turnover 248 (116) lots of 10,000 ozs. Morning: Cash 211, 11.2; three months 218, 17.8, 17.9, 18.2. Kerbs: three months 218.2, 18.1. Afternoon: three months 217.7, 17.6, 17.5, 17.6, 17.7, 17.8, 17.5, 17.6, 17.7. Kerbs: three months 217.9, 18, 17.9, 17.8.

COCOA

Prices recovered on modest short-covering, with first hand sellers continuing reserved, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No4 Contract			
December	638.0-39.0	+2.5	641.0-36.0
March	619.5-20.0	+7.0	620.0-15.0
May	604.5-05.0	+10.5	605-599.0
July	598.0-98.0	+5.5	598.0-93.0
September	591.0-92.0	+4.0	591.0-89.0
December	586.0-88.0	+7.75	581.5-79.0
March	582.0-86.0	+6.75	—

Sales: 1,382 (3,100) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 58.07 (56.07) U.S. cents per pound: indicator 15-day average 57.70 (58.09); 22-day average 57.94 (58.19).

FREIGHTS

OIL TANKERS—Some inquiries for tonnage out of West Africa, but generally a quiet day after Monday's activity when the 200,000 ton dwt Al Funtas was fixed at Worldscale 15 for Persian Gulf to the East, a 90,000 tonner was fixed at W32½ for PG to East Africa and a 72,000 tonner at W32½ for PG to Australia.

DRY CARGO—Very firm tone of early North American grain positions was maintained and the higher rate of $7.50 f.i.o. was paid for a November cargo from U.S. Gulf to Netherlands for November.

Overall volume of business was very small, however, with other grain chartering limited to cargoes from U.S. Gulf to Japan at $10.95 f.i.o. for December and from the same loading area to East Coast Mexico at $9 f.i.o. for December.

Miscellaneous chartering included surphur ventspils to India at £25 f.i.o. for November-December and phosphate from Curacao to Savannah at $6.75 f.i.o. for November-December.

In the sugar section, a small cargo was arranged from Eten-Pimental to U.S. Atlantic at $12.25 f.i.o. for December.

COFFEE

Robusta terminal held steady in morning trading in light two way dealer activity.

Prices gained further ground in the afternoon on Commission House buying and shortcovering. Arabicas were 120 points to 60 points higher.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per tonne		
November	705.0-12.0	+7.5	—
January	709.0-10.0	+6.5	709.0-05.0
March	709.0-10.0	+6.5	709.0-04.0
May	709.0-11.0	+7.5	710.0-05.0
July	713.0-15.0	+8.5	713.0-09.0
Sept	715.0-16.0	+6.0	715.0-11.0
November	716.0-18.0	+5.5	717.0-12.0

Sales: 630 (533) lots of 5 tonnes.

Latest published ICO indicator prices: U.S. cents a pound. Colombian Mild Arabicas 87.50 (same). Other Mild Arabicas 77.00 (same). Unwashed Arabicas Santos Fours 94.00 (same). Robustas 71.38 (same). Daily average 82.54 (same).

ARABICA CONTRACT (in order buyer, seller, sales)—Dec. 85.10-90.00, nil; Feb. 85.00-88.00, nil; April 86.40-86.60, nil; June 86.60-87.00, nil; Aug. 87.00-87.70, nil; Oct. 88.30-88.40, 3; Dec. 88.80-89.10, nil. Sales, 3.

RUBBER

SLIGHTLY EASIER opening on the London physical market. Little interest throughout the day, closing dull. Lewis and Peat reported a godown price of 147 Malaysian cents (buyer December).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Dec	54.90-54.40	54.00-54.70	—
Jan.	54.25-55.00	54.50-55.50	—
Jan.-Mr.	55.15-55.40	55.60-55.90	[illegible]
Apr-Jne	56.85-56.90	57.55-57.60	57.75-56.40
Jy-Sept	57.95-58.00	58.80-58.85	58.75-57.90
Oct-Dec	59.00-59.10	59.80-59.85	59.90-59.00
Jan-Mr.	40.15-40.25	40.80-40.85	40.80-40.25
Ap-Jun.	41.10-41.25	41.65-41.80	—
Jly-Spt	41.70-41.80	42.15-42.40	42.00-41.80

Sales: 178 (159) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 33.5p (33.75p). Dec. 31.5 (31.85p); Jan. 32.0p (32.4p).

SOYABEAN MEAL

	Yesterday's Close	+ or −	Business Done
	£ per tonne		
December	83.4-83.6	−0.7	83.3-83.6
February	82.9-83.1	−0.8	83.0-83.6
April	83.8-84.1	−0.8	84.0-84.5
June	84.4-84.8	−1.05	84.7
August	85.6-85.8	−1.05	85.7
October	86.5-86.9	−1.15	87.3

Sales: 65 (37) lots of 100 tonnes.

GRAINS

THE BALTIC—A light trade was reported for EEC feed wheat to U.K. west coast ports, but other sections of the imported grain market were generally idle in virtually unchanged conditions.

Wheat—U.S. dark northern spring No. 2 14 per cent., Jan. £98.70 Feb. £99.40 direct Tilbury. Dec. £97.20, April/mid-May £99.50, May £99.40, June £99.45, July £99.80 tranship east coast sellers. EEC feed Nov. £63.00, Dec. £63.50 east coast.

Maize—No. 3 yellow American/French Nov. £65.25 Dec. £66.25, Jan. £67.25 tranship east coast. South African yellow Nov. £71.50, Dec. £73.00 nominal sellers U.K. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Nov. 62.35, Jan. 63.85, March 65.60, May 67.10, Sept. 68.25. Business: Nov. 62.55-62.40, Jan. 64.00-63.85, March 65.90-65.60, May 67.30-67.10, Sept. 68.35-68.25. Barley—steady. Close: Nov. 60.40, Jan. 62.15, March 64.40, May 65.95, Sept. 64.85. Business: Nov. 60.45-60.40, Jan. 62.25-62.10, March 64.40-64.35, May 65.9-65.90, Sept. nil.

HGCA—Soft milling wheat—Gloucester £62.15; Humberside £62.50. Feed wheat—Gloucester £60.10; Humberside £60.95. Feed barley—Gloucester £58.45; Humberside £60.35.

EEC DAILY IMPORT LEVIES and premiums effective Nov. 19 (in order current levy plus Dec., Jan. and Feb. premiums, with previous in brackets). Rates in units of account per tonne: Common wheat—81.57, rest nil (81.57, rest nil); Durum wheat—85.11, rest nil (44.38, rest nil); Rye—86.89, rest nil (86.02, rest 2.37); Barley—17.41, rest nil (14.13, rest nil); Oats—23.00, rest nil (23.00, rest nil); Maize (other than hybrid for seeding)—33.61, rest nil (33.61, rest nil); Buckwheat—Nil, rest 2.37 (nil, rest 2.37); Millet—38.92, rest nil (23.13, rest 2.37); Grain sorghum—28.45, rest nil (28.45, rest 2.37). Levies for flours: Wheat or mixed wheat and rye—63.38 (63.26); Rye—70.41 (69.21).

SUGAR

LONDON DAILY PRICE (raw sugar) £152 (same) a ton c.i.f. for Nov.-Dec.-Jan. shipment. White sugar daily price was fixed at £170 (same).

Shortcovering and lack of sellers gave the market a reasonably steady undertone throughout. Values improved by about 250 points over the day. Closing values were near the best levels, C. Czarnikow reports.

Sugar Pref Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec	156.50-56.75	155.05-55.20	156.75-54.60
March	156.50-56.55	154.9-55.00	156.75-54.00
May	157.00-57.10	155.55-55.60	157.25-55.25
Aug	157.05-57.10	156.50-57.00	157.50-55.75
Oct	157.75-57.80	157.00-57.75	158.00-56.25
Dec	158.50-57.25	157.10-57.25	157.25-56.60
March	156.75-57.30	156.00-56.50	158.00-55.25

Sales: 3,492 (5,108) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £212.20 (same) a long ton for home trade and £237 (same) a long ton for export.

WOOL FUTURES

LONDON — Market showed hardening tendency in sympathy with overseas on much improved turnover, Bache reports.

(Pence per kilo)

Australian Greasy wool	Yesterday's close	+ or −	Business Done
December	168.0-69.5	−0.25	170.0-69.0
March	174.5-75.0	+0.75	175.5-74.5
May	176.5-77.0	+0.75	177.0-76.0
July	179.5-80.0	+2.25	180.0
October	187.0-88.0	......	189.1-88.0
December	188.0-89.5	−1.25	190.0
March	189.0-92.0	−1.0	—

Sales: 79 (2) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business)—Dec. 246.5-247.1, 247.5-246.5; March 258.5-258.8, 259.0-258.5; May 265.5-266.0, 266.0-265.5; July 269.1-269.5, 269.5-269.0; Oct. 273.2-273.6, 273.5-272.5; Dec. 277.5-278.0, 278.2-277.2; March 279.5-280.0, 279.5-279.0. Sales 380.

MEAT/VEGETABLES

SMITHFIELD (pence per lb)—Beef: Scotch killed sides 34.0 to 37.0, English hindquarters—some heavy 38.0 to 39.0, forequarters 27.0 to 28.0, Eire forequarters Lamb: English small 32.0 to 36.0, medium 30.0 to 36.0, heavy 28.0 to 32.0. Scotch medium 29.0 to 36.0, heavy 28.0 to 30.0, hill 29.0 to 34.0. Imported frozen: New Zealand D's 32.0 to 33.0, 2's 30.0 to 30.5, 8's 28.0, YL's 29.0 to 30.0. Ewes: 14.0 to 17.0, higher quality ewes 18.0. Pork: English under 100 lbs 31.0 to 39.0, 100-120 lbs 31.0 to 38.5, 120-160 lbs 32.0 to 37.0, 160-180 lbs 29.5 to 34.5, 180 lbs and over 25.0 to 31.0.

MEAT COMMISSION—Average fatstock prices at representative markets on November 18: U.K.—Cattle £20.87 per live cwt (+0.40); sheep 37.7p per lb. EDCW (+0.5); pigs £5.16 per Sc.LW (+0.08). England and Wales—Cattle numbers were unchanged average price £20.74 (+0.47); sheep down 4.1, 38.1p (+0.6); pigs up 3.3, price £5.16 (+0.09). Scotland—Cattle up 0.1, £22.12 (−0.20); Sheep down 28.0 35.6p (−0.3); Pig up 13.7, £5.01 (−0.09).

COVENT GARDEN (Prices, in sterling)—Imported produce: Oranges — South African: 2.85-3.75; Brazilian ½-Boxes 1.90, Boxes 2.70; Spanish: 2.90-3.60. Satsumas—Spanish: Per tray 1.90. Lemons—Italian: 4.00-4.30; South African: 4.50-5.60; Greek: 4.00-4.50; Turkish: 2.70-3.20. Grapefruit—Dominican: 2.00-2.50; Cypriot: 2.60-3.40; Jaffa: 3.10-3.80; Belize: 1.80; Florida: Ruby 4.00; Jamaican: 2.00-2.30. Apples—French: Per 20-lbs Golden Delicious 72/94 1.80-1.90, per 20-lbs Starking 1.50, Granny Smith 72/84 2.10-2.30; Hungarian: Per 44-lbs Starkings 3.80; Danish: Per pound McIntosh Red 0.10. Pears—Italian: Per pound Williams 0.11-0.12, Passacrassana 0.10. Bananas—Per 28-lbs Windward Islands: 2.70; Jamaican: 2.60-2.70. Grapes—Spanish: Per 11-lbs Almeria 1.00-1.30, Black 1.30; Californian: Per 23-lbs Red Emperor 5.00. Tomatoes—Jersey: 1.60-1.70; Spanish: 2.20-2.80; Romanian: 2.00; Canary: 2.20-2.40. Onions—Spanish: 4/5 3.80-4.20; Dutch: 2.70. Cucumbers—Canary: 1.60-1.80. Cauliflowers—Jersey: 24 3.20. Cranberries—U.S.: Per 8-ozs 18 2.16, 16-ozs 24 5.04. Figs—Turkish: Per ounce 0.11. Almonds—Cypriot: Per pound Semi Soft 0.29.

English produce: Lettuce—Per 12, round 0.70. Potatoes—Per 56-lbs Whites 2.60, Edwards 2.80. Cabbages—Per bag Primo 0.80-1.20. Mushrooms—Per pound 0.25-0.30. Apples—Per pound Cox's Orange Pippin 0.07-0.10, Russets 0.05-0.07, Bramley's 0.06-0.08, Derbys 0.05-0.06, Worcester Pearmain 0.05-0.06. Celery—Per 12, 0.50, pre-packed 20/25 2.20-2.40. Sprouts—Per 20-lbs 1.80-2.24. Beetroot—Per 12-lbs 0.70-0.80. Onions—Per 56-lbs 2.60-2.70. Swedes—Per 28-lbs Devon 0.50-0.60. Carrots—Per 28-lbs 0.50-0.60. Pears—Per pound Conference 0.10-0.11, Comice 0.11-0.12. Parsnips—Per 28-lbs 1.40-1.50. Cauliflower Heads—Per 12 1.40-1.80.

JUTE

DUNDEE. Steady. Prices c. and f. U.K. for Nov.-Dec. shipment: BWB £196, BWC £189, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods market closed. More demand for yarn and cloth at Dundee.

LONDON—Quiet. Bangladesh White "C" grade Nov.-Dec. £195. "D" grade Nov.-Dec. £188. A long ton.

CALCUTTA—Closed due to Guru Nanak's birthday.

★

MCA CHANGES—The intervention board for agricultural produce said it had been advised monetary compensatory amounts (MCA's) for U.K. and Ireland were unlikely to change for the week commencing November 24.

★

GRIMSBY FISH—Supply moderate, demand good—Prices at ships side (unprocessed) per stone: Shelf cod £2.00-£2.60; Codlings £1.80-£2.20; Large shelf haddock £2.80-£3.80, medium £2.40-£2.60, small £2.30; Large plaice £3.20, medium £3.40, best small £2.80; Medium skinned dogfish £2.80, large £3.50; Lemon soles £4.80; Rock fish £1.30-£1.50; Reds £1.30-£1.40; Saithe £1.20-£1.40.

★

HIDES—Manchester. Generally firmer. Second clear ox 31-35½ kilos 28p per kilo; 26-30.5 kilos 28.8p, 22-22.5 kilos withdrawn 31.9p. Light cows 32.7p. No calf offered.

★

COPRA—Philippines: Nov. and Dec. $197½ reseller per tonne cif North Euro ports.

London housing project 'threat to wildlife'

PLANS to build council housing on a stretch of disused railway track in North London which has become a nature sanctuary have been condemned as "municipal insensitivity."

The charge has been made by naturalist Eric Simms, whose survey of the area has been printed by Conservative councillors in the Labour-controlled boroughs of Haringey and Islington.

The disused Highgate-Finsbury line runs from Finsbury Park to Shepherd's Hill and takes up 25.8 acres in the borough of Haringey and 6.5 acres in Islington.

Mr. Simms says that to build on "this remarkable wildlife sanctuary" would be alien to conservation opinion.

His survey, entitled Live and Let Live, says that last summer there were nearly 30 species of birds along the line and 20 were nesting on or very close to the track.

There were almost 30 species of trees and at least 40 different kinds of flowering plant.

Haringey Council will consider planning applications for developments on the line at a meeting next Monday.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 18 1975	+ or −	Month ago
Metals			
Aluminium (a)	£396	......	£396
Free Market cif	£365-380	......	£325-335
Copper‡			
Cash Wire Bars (w)	£570.5	−7.5	£568.75
3 months do. do. (w)	£590.25	−8.5	£591.25
Cash Cathode (w)	£556.5	−8.25	[illegible]
3 months do. (w)	£576.5	−8.75	£578
Gold Troy oz.	$139.25	−2.5	$145.75
Lead Cash (w)	£163.625	−1.0	£167
3 months (w)	£170.875	−0.75	£174.5
Nickel (w)	£2,581	......	£2,547.5
Free market cif (lb)	$1.8-1.9	......	$1.81-1.9
Platinum (b) troy oz.	£75½-80½	......	£76½-81½
Free Market	£70.2	−0.7	£70.6
Quicksilver (76lbs)	$80-85	......	$98-102
Silver Troy oz.	211.4p	−0.9	213.9p
3 months	218p	−0.9	220.8p
Tin Cash (w) §	£3,081	−6.5	£3,075.5
3 months (w)	£3,148	−2.5	[illegible]
Wolfram 22.04lb. cif	$42-44	+0.25	$41-43
Zinc Cash (w) §	£344	−1.75	£340.25
3 months (w)	£355.875	−1.625	£351.5
Producers (a)	$390	......	$390
Oils			
Coconut Malayan	‡	......	‡
Groundnut 6%	£400	......	£440
Linseed Crude (w)	£400	......	£405
Palm Malayan (a)	[illegible]	......	£205
Soyabean (a)	‡	......	‡
Seeds			
Copra Philipp	$197.5	......	$212
Gr'nuts Nigerian	‡	......	‡
Linseed Can No. 1	£152	+0.75	[illegible]
Grains			
Barley EEC	‡	......	£66.5
Home Futures	£60.40	......	£63.5
Maize			
French No. 3 Am.	£65.25	......	£65.5
S.A. Yellow	£71.5	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£64.5	......	£68.0
Cocoa Shipment (w)	£656.5	+7	£701
futures March	£619.75	+7	£645.25
Coffee Shipment (c)	‡	......	72.5
futures Jan. (w)	£709.5	+6.5	£742.25
Cotton 'A' Index cent	55.25	+0.1	55.8
Jute LJABWC (d)	£195	......	£195
Rubber kilo	33.5p	−0.25	32.5p
Sisal EASL (w)	$600	......	$600
Sugar (Raw)	£152	......	£160
Wooltops 64s kilo	202p	......	198p
Cloves (Madagascar)	£2,550	......	£2,600
Pepper White ton	£920	......	£940
Black ton	£715	......	£740

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Nov. u Metric tons. r September. v Aug.-Oct. t Nov. w Nov.-Jan.

FINANCIAL TIMES

Nov. 18	Nov. 17	Month ago	Year ago
167.96	169.70	173.22	190.33

(Base: July 1, 1952=100)

REUTER'S

Nov. 18	Nov. 17	Month ago	Year ago
1130.4	1128.8	1142.4	1238.2

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Nov. 18	Nov. 17	Month Ago	Year ago
Spot	285.99	287.12	298.58	441.35
Futures	276.08	277.32	281.79	425.57

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 18	Nov. 17	Month ago	Year ago
Sple Commty	736.5	740.3	722.4	874.1

(Dec. 31, 1931=100)

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 10 tonnes, bringing the total for the week so far to 626 tonnes. Activity was severely reduced although a widespread inquiry was experienced in Middle Eastern and African growths. Dealings were light apart from some specialist interest in South and Central American qualities, F. W. Tattersall reports.

U.S. Markets

New York rumour lifts bullion

NEW YORK, Nov. 18.

PRECIOUS metals closed higher on late speculative buying following reports that President Ford may veto financial aid to New York city. Commission-House shortcovering lifted coffee and sugar futures, while copper and cocoa eased on continued liquidation. Grain futures also closed lower as commercial hedging once again weighed on prices, Bache reports.

Cocoa—Ghana spot 66 (same). Bahia spot 60 (same). Dec. 57.35 (57.35), March 53.70 (53.85), May 51.95, July 50.90, Sept. 50.05, Dec. 48.30, March 48.80. Sales: 1,096.

Coffee—Nov. 76.85 nom. (76.00), Dec. 77.45-77.60 (76.65), March 78.25-78.40, May 78.70-78.75, July 79.15 bid, Sept. 80.00-80.20. Sales: 429.

Copper—Nov. 53.50 (same). Dec. 53.80 (53.70), Jan. 54.20, March 55.30, May 56.40 settlements. Sales: 3,133.

Cotton—Dec. 54.13-54.20 (54.70), March 55.70-55.85 (56.25), May 56.75, July 57.05-57.15, Oct. 56.70-56.85, Dec. 58.75, March 57.10 bid, May 57.20 bid. Sales: 3,250.

♣Gold—Nov. 140.00 (139.00), Dec. 140.30 (139.30), Jan. 141.00, Feb. 141.30, April 143.60, June 145.40, Aug. 147.20, Oct. 149.10, Dec. 151.10, Feb. 153.00. Sales: 1,720.

Greasywool—Spot 156.5 nom. (same). Dec. 153.0-162.0 (154.0), March 152.0-158.0 (150.0), May 150.0-156.0, July 149.4-155.0, Oct. 146.4-152.0, Dec. 145.0-152.0, March [illegible]

†Lard—Chicago loose 21 asked (same). NY Prime Steam 22½ nom. (same).

††Maize—Dec. 261½-262 (265¾-265½), March 268¾-269 (272¾-273), May 273-273¾ July 275-275½, Sept. 269, Dec. 261½, March 269.

‡Platinum—Jan. 144.60-144.80 (144.50). April 148.00 (147.80). July 151.60-151.90, Oct. 155.60-155.70, Jan. 159.30-159.40, April 163.00-163.10. Sales: 342.

‡‡Silver—Spot 428.00 (434.50). Nov. 430.70 (425.80), Dec. 431.70 (438.00), Jan. 434.60, March 441.90, May 449.10, July 456.30, Sept. 463.50, Dec. 474.20, Jan. 477.70, March 484.70. Sales: 9,874.

*Soyabeans—Nov. 467-466½ (473½). Jan. 465-466 (479½), March 474-474¾, May 481½-482½, July 487½-488, Aug. 489, Sept. 493-494, Nov. 495, Jan. 505-504.

bSoyabean Meal—Dec. 125.00-125.50 (128.90), Jan. 127.00-127.20 (128.40), March 130.00-129.50.

Soyabean Oil—Dec. 17.77-17.77 asked (18.77), Jan. 17.60 asked (18.60), March 17.60-17.55, May 17.60-17.55, July 17.60, Aug. 17.60, Sept. 17.60-17.55, Oct. 17.60.

Sugar—Spot 12.90 (12.80). Jan. 13.31 nom. (13.09), March 13.30-13.34 (13.09), May 13.42-13.40, July 13.43-13.42, Sept. 13.42-13.37, Oct. 13.40-13.46, March 13.40-13.39. Sales: 3,177.

Tin—293.00-310.00 (293.00-310.00 asked).

**Wheat—Dec. 343-342 (352-351), March 356-355½ (364½-356½), May 361-361½, July 360½, Sept. 366½.

WINNIPEG, Nov. 18. ††Rye—Dec. 233½ (241½), May 245 asked (251½), July 237.

cOats—Dec. 155½ (156), May 151 bid (151), July 148½ nom.

§Barley—Dec. 231½ (232½), May 229 asked (230), July 228.

dFlaxseed—Nov. 637 bid (645), Dec. 640 (647), May 650 bid, July 650 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 498½ (525½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ♣ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,0000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Second-line equities more active in fresh advance

Share index nears 2-year high, but Golds at 22-month low

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9
Dec. 1	Dec. 11	Dec. 12	Dec. 23

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets staged another broad improvement yesterday, but British Funds remained out of the limelight, while Gold shares showed renewed weakness.

In contrast to Monday, most of the activity in equities centred on second-line issues, with the leaders being much quieter after the previous day's sharp improvement. Most sectors took part in the rise and the FT-Actuaries All-Share index moved up 1.0 per cent. more to a fresh peak for the year of 160.63. Trading was very lively; official markings of 9,645 were the highest since April 24 last.

Despite the fall off of interest in leading industrials, selective support was still forthcoming and prices made further headway before scattered profit-taking in the late afternoon left final quotations below the best. Up 5.8 at 2 p.m., the FT 30-share index closed 1.1 up on balance at 376.6, its highest since November 28, 1973.

A reaction of $2.50 to $139.25 in the price of bullion, coupled with continuing uncertainty about the political situation in Angola, made for renewed weakness in Gold Mining shares and the Gold Mines index closed 12.1 lower at 227.4, its lowest since January 4, 1974.

Gilts subdued

A more subdued mood in British Funds owed a great deal to the increase in U.S. Treasury bill rates and disappointment later that the Government broker had not raised his price for the short-medium "tap". Dealings in the stock, Treasury 11½ per cent., 1981, were allowed yesterday ex the pending dividend payment, not clean as stated here in Tuesday's report, and further switching from high-coupon shorts as well as from longer-dated issues, occurred. The combined demand, however, was countered by profit-taking and the close was marginally easier at 96½. Small losses of ¼ were evident at the medium and longer end, but many shorts held at overnight list levels. Early Southern Rhodesian maturities caught up with Monday's firmness in longer-dated issues and the 2½ per cent., 1965-70, stock rose 5 points to £41.

The investment currency premium was sensitive to a modest volume of business and touched extremes of 109¼ and 106½ per cent. before settling a net 1¼ lower at 107½ per cent. Continuing interest was shown in Romanian bonds and the 4 per cent. Consols gained ½ further to £16. Among U.S. stocks, Otis Elevator resumed trading at £29¼, down 6¾ on the pre-suspension price, this following weakness overnight on Wall Street. Yesterday's SE conversion factor was 0.6133 (0.6098).

Discounts firm

Monday's firm and active start to the new Account by Home Banks proved short-lived. After opening a couple of pence firmer yesterday, prices soon drifted lower on lack of follow-through support to close with losses ranging to 8. Midland, 300p, lost that much, while Barclays receded 5 at 310p. Discounts, on the other hand, made a very firm showing. Allen Harvey and Ross led the advance, rising 10 to 370p in a thin market. Smith St. Aubyn added 4 at 68p and improvements of 5 were recorded in Cater Ryder 240p, Gillett Bros., 105p, and Union, 347p. Popular stocks among Merchant banks included Antony Gibbs, 4 better at 30p, and Mercury Securities 5 to the good at 146p.

Although much better than Commercial Union's, the third-quarter profits of "Royals" still disappointed and the shares eased from an initial firm level of 324p to close unaltered on the day at 320p. Following Monday's 11½ decline, C.U. moved between extremes of 141p and 136p before closing a penny easier at 137½p. Among Lloyds brokers, C. E. Heath featured again, rising 10 to a 1975 high of 292p on the interim results. Equity and Law gained 6 at 198p in Life Offices.

Brewery leaders turned easier, with Arthur Guinness 3 off at 135p and Allied a penny down at 72p. Morland, however, rose 15 at 290p in a thin market, while Young and Co. hardened 2 to 95p on the interim results. Elsewhere, Distillers shed a penny at 126p and Teacher (Distillers) lost 5 at 210p.

R. Costain featured Buildings, closing 10 higher at 238p, after 241p. Redland, still reflecting trading news, picked up 4 more at 108p, while substantially improved first-half profits took Hoveringham Restricted Voting up 2½ to 21p. Rowlinson Construction responded to the interim report with a rise of 5½ to 48p, while Ibstock Johnsen attracted fresh interest, the Ordinary closing 6 better at 100p and the new nil-paid shares 5 higher at 39p premium.

ICI closed a penny easier at 319p, after 323p, but Stewart Plastics picked up 5 more at 97p awaiting the outcome of the bid talks with Bowater.

MTE advance

Electrical leaders made further initial progress, but later boiled over to close narrowly mixed on balance. GEC finished a penny down at 144p, after touching a 1975 high of 147p, and EMI 2 softer at 224p, after 228p, but Plessey recorded a net gain of 2 at 79p, after 81p. Elsewhere, MTE featured with an advance of 7 to 36p in response to the recommended offer (worth about 37p) from Ransome Hoffmann Pollard, which hardened a penny to 69½p. Farnell Electronics put on 4½ to 77½p and Allied Insulators 2½ to 19½p, while Decca improved afresh to 254p before ending a net 4 higher at 250p. Muirhead continued to benefit from the profits expansion and closed 3 firmer at 83p for a two-day rise of 8. Derritron gained another penny at 6½p, but Normand Electrical lost 3 to 40p. After hardening to a fresh 1975 peak of 58p, Comet Radiovision softened to 56p following the preliminary results, down a penny on balance.

After a dull start following adverse Press comment, Stores recovered their composure. Marks and Spencer were finally unchanged at 108p, after 107p, and "Gussies" "A" closed 3 firmer at 196p, after 197p. House of Fraser were active, but unaltered at 79p, following Press comment on the third quarter figures. F. W. Woolworth, however, finished a shade easier at 65p in front of to-day's interim figures. Secondary issues attracted a fair amount of interest, but noteworthy movements were few and far between. A. Preedy, 45p, and Lee Cooper, 75p, put on 4 and 5 respectively.

Hawker received more attention than other Engineering leaders and rose to 342p before closing 6 up on the day at 338p. Tube Investments were finally only 2 better at 294p, after 298p, and Vickers similarly dearer at 148p, after 150p; newspaper mention had little impact on the latter. Elsewhere, the upturn continued unchecked and Turriff jumped 9 to 83p, while Ash and Lacy, 102p, and Renold, 149p, both advanced 8. In further response to trading news, RCF picked up 4 further to 32p and United Engineering 3 to 27p. Babcock and Wilcox improved 2 to 74p following the planned bid for the outstanding equity of American Chain and Cable. Press comment caused Concentric to rise 4 to 34p, but GEI International lost 1 to 32p and E. Chalmers 1½ to 23½ after their respective interim results. Haden Carrier revived at 99p, up 6.

Foods closed on a firm note, although somewhat below the day's best. Tate and Lyle ended a penny better at 262p, after 266p, while AB Foods firmed a like amount to 70½p following Press comment on the interim statement. J. N. Nichols (Vimto) responded to the increase in first-half profits with a rise of 4 to 87p, while Biscuit manufacturers had United 5 better at 112p and Fox's 8 to the good at 68p. J. Bibby improved 5 to 77p, while Adams Foods rose 4 to 23p as did Carrs Milling to 36p. Supermarkets were generally better where changed. After touching a 1975 peak of 33½p, Tesco reacted to close unchanged at 32½p following a good business; the interim figures are expected next Wednesday.

Barlow Rand weaken

Miscellaneous Industrial leaders failed to hold early fresh improvements, although Reed International were an exception, closing 8 higher at 240p. Beecham ended only a penny firmer at 325p, after 328p, ahead of to-morrow's half-year figures. Reckitt and Colman managed a net rise of 7 at 335p, after 340p, but Glaxo recorded a reaction of 5 at 345p. The South African Barlow Rand weakened along with Gold shares to end 15 lower at 253p, after 248p. Elsewhere, Powell Duffryn, after hardening to 138p, retreated to 132p for a net loss of 4 on the reduced first-half profits. Wedgwood improved 5 more to 212p for a two-day rise of 12 ahead of Friday's interim report. J. Coral moved up 10 to 103p in a thin market.

Lex Service were again well to the fore in Motors and Distributors, closing 2 harder at 25½p following a good business. Godfrey Davis, still reflecting trading news, firmed 2 to 44p, while Dutton Forshaw moved up 4½ to 24p. Jonas Woodhead improved 7 to 96p in Components where Clayton Dewandre, 82p, Armstrong Equipment, 64p, and Turner Manufacturing, 59p, were all 3 better. Against the trend, Fodens, at 26p, gave up 4 of the previous day's rise of 7.

A slightly busier Paper/Printing sector saw DRG rise 4 to 117p and British Printing gain 2 more to 49½p, but Oxley fell 1½ to 11p, the last-named on the dividend passing and very poor interim figures. In Newspapers, Bristol Evening Post were also the subject of adverse first-half results and fell 3 to 43p. Small demand in a thin market raised William Collins 4 to 106p, in Publishers.

Properties supported

A Press report of an improving trend in City office lettings coupled with relief that the Amalgamated Investment and Property annual meeting produced no nasty shocks prompted buyers to venture back into Properties, which staged a rally to close at the day's best. Amalgamated Investment picked up a penny to 15p, while Land Securities, in front of to-morrow's half-year results, rose 7 to 177p. MEPC recovered 2 to 57p and English Property 3½ to 44p, while Capital and Counties, helped by news that the financing arrangements have been completed, added 2 at 13½p. Favourable Press mention directed attention to London and Provincial Shop Centres, up 9 at 65p. Great Portland Estates improved 6 to 226p on the increased half-year profits, while Greencoat Properties responded to the return to profit with a rise of 1½ to 10½p. Peachey Property recouped 4 at 28½p.

Oils traded on a more two-way basis than recently and, although British Petroleum gained 5 further to 395p, after 398p, Shell closed unaltered at 386p, having earlier made a new peak for year of 390p. Burmah improved the turn to 33p and, in a fairly brisk well balanced business, Berry Wiggins rose to 62p before ending a net 1 higher at 60p; the new nil-paid were also 1 harder at 27p premium. In the overseas section, Ranger responded to domestic market influences and moved up 45 to 925p, but several Australian issues were dull.

The sharply higher profits and return to the dividend list after a five-year lapse caused Caroni to move ahead smartly to 12½p before ending 4 higher on balance at 11p. Elsewhere in Overseas Traders South African Distilleries and Wines receded 20 to 380p and Harrisons and Crosfield 24 to 538p.

After Monday's Press-inspired rise of 9, Lonrho came back to 121p before rallying to 125p for a loss of 2 on the day.

Trusts and Financials displayed widespread gains. The marked increase in stock market activity continued to bolster stockjobbers —Akroyd and Smithers and Smith Bros, which rose 5 and 3 respectively to 203p and 59p; the former's interim results are due next Tuesday. Lampa Securities put on 8 at 70p and Law Debenture gained 7 to 86p.

Shippings gave a quiet but firm performance. British and Commonwealth ended 2 up at 199p, after 201p, following the half-year figures.

Last week's disappointing first-half figures continued to cloud sentiment in Courtaulds, which eased further to 139p before closing a net 2 cheaper at 140p.

Elsewhere in Textiles, Allied hardened 2½ at 75p as did British Mohair at 26p.

Still benefiting from Monday's round of cigarette and tobacco price increases, Imps touched a 1975 high of 83p before closing a fraction better at 82p.

South Africans declined throughout the list. O.K. Bazaars "A" lost 50 at 750p, while Primrose, 180p, and Abercom Investments, 280p, gave up 20 apiece.

Still awaiting the outcome of the reorganisation talks between James Finlay (unaltered at 140p) and McLeod Russel (3 better at 140p), Consolidated Tea and Lands encountered fresh selling and lost 30 to 320p in mixed Teas. In quietly firm Rubbers, Golden Hope hardened 3 to 47½p.

Further losses in Golds

Gold shares lost ground for the eighth successive trading day following continued political uncertainty about the Angola West Africa border military situation, coupled with the slightly lower trend in transatlantic bullion and share markets.

Bullion was again lower at the morning fixing and eased further to close £2.50 down at $139.25 an ounce.

Jobbers marked prices down at the opening and small but persistent selling from all quarters caused prices to close at the day's worst. The Gold Mines index reached its lowest point since January 4, 1974 at 227.4, a fall of 12.1 on the day and 33.1 over the past three trading days.

In the heavyweight issues falls ranged to 1½ in West Driefontein (£36), with Western Holdings losing 1½ to £23½. Among the lower priced stocks Kloof Gold retreated 80 to 649p, [illegible] dropped 70 to 575p and East [illegible] fell 25 to 360p; miners at the latter refused to go on shift on Monday following a misunderstanding over pay arrangements but the situation is now reported to be back to normal.

Financials mirrored the weakness in Golds. "Amgold" lost [illegible] to £28½. Gold Fields gave up [illegible] to 208p following the meeting. Charter Consolidated were [illegible] at 173p in front of the interim dividend and half-year profits. Coppers lost ground in line with the price. Minorco fell 8 to 1[illegible] Palabora dropped 40 at [illegible].

In Platinums, general lowered Potgietersrus 14 [illegible] and Waterval 6 to 132p.

Australians were mixed. London Tin rose 9 to 155p [illegible] ing further talk of an offer. Pernas Securities, Malaysia spurted 7 to 20p on Press comment. Malayan Tin (162p) Southern Malayan (144p) [illegible] and 2 respectively following increased final dividends.

FINANCIAL TIMES STOCK INDICES

	Nov. 18	Nov. 17	Nov. 14	Nov. 13	Nov. 12	Nov. 11
Government Secs.	59.43	58.59	58.57	58.60	58.65	58.52
Fixed Interest	58.96	63.87	59.05	59.20	59.25	59.15
Industrial Ordinary	376.6	375.5	365.6	366.4	371.8	370.2
Gold Mines	227.4	239.5	251.7	260.5	265.8	265.2
Ord. Div. Yield %	5.65	5.66	5.79	5.78	5.70	5.75
Earnings Y'ld % (full)	15.68	15.71	16.03	16.52	16.09	15.82
P/E Ratio (net) (*)	9.29	9.27	9.05	8.81	8.93	9.00
Dealings marked	9,645	8,287	7,757	8,241	8,627	8,698
Equity turnover £m	—	75.88	70.45	115.51	81.31	75.10
Equity bargains total	—	21,251	19,259	18,198	19,873	19,795

10 a.m. 376.1. 11 a.m. 375.4. Noon 380.1. 1 p.m. 380.5. 2 p.m. 381.2. 3 p.m. 378.8.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.21.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.55 (2/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	376.6 (18/11)	146.0 (6/1)	543.6 (14/5/72)	49.4 (26/6/40)
Gold Mines	442.3 [illegible]	227.4 (18/11)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 18
Daily—	
Gilt-Edged	188.4
Industrials	359.6
Speculative	67.0
Totals	219.5
5-day Av'r'ge	
Gilt-Edged	180.3
Industrials	317.4
Speculative	52.9
Totals	193.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)

		Tuesday, Nov. 18, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Nil) (Corp. Tax 52%)	Monday Nov. 17 Index No.	Friday Nov. 14 Index No.	Thurs. Nov. 13 Index No.	Wed. Nov. 12 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	143.25	+2.1	16.05	5.78	9.34	9.33	140.25	137.87	138.04	139.55	61.30	143.25 (18/11)	61.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	136.19	+2.1	12.92	5.95	11.85	11.82	133.35	131.06	131.99	133.77	55.60	136.19 (17/11)	45.11 (6/1)	255.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	263.54	+2.8	14.16	5.62	10.62	10.62	256.26	252.86	254.37	257.42	81.24	263.54 (18/11)	74.74 (6/1)	389.53 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	254.66	+3.0	16.03	4.56	9.14	9.14	247.20	240.13	240.82	245.76	108.18	254.66 (18/11)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	163.89	+1.8	10.92	7.24	7.65	7.65	161.05	158.69	157.60	158.75	79.20	163.89 (18/11)	64.39 (2/1)	209.57 (4/5/72)	64.39 (2/1/75)
6	Engineering (General) (63)	122.89	+1.4	17.64	6.82	8.39	8.38	121.18	119.47	120.07	120.59	56.01	122.89 (18/11)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	49.28	+2.4	16.73	8.57	10.80	10.80	48.13	47.48	47.50	47.36	23.75	49.28 (18/11)	20.11 (2/1)	136.70 (4/7/68)	19.96 (13/12/74)
8	Miscellaneous (24)	119.22	+2.0	17.63	6.60	8.57	8.57	117.62	117.64	118.18	118.48	62.56	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	117.43	+1.1	18.75	5.28	9.57	9.85	116.15	112.68	112.82	115.56	46.56	117.43 (18/11)	38.39 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	129.69	+0.8	14.58	4.13	10.26	10.24	128.67	125.19	126.57	129.75	48.71	131.94 (10/11)	44.28 (6/1)	257.41 (19/5/72)	43.85 (12/12/74)
11	Household Goods (14)	168.72	+1.3	14.18	6.21	10.55	10.50	166.78	164.65	165.42	168.27	73.81	168.72 (18/11)	64.55 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	70.25	+1.5	16.25	5.67	8.42	8.42	69.18	66.15	65.75	67.14	27.99	70.25 (18/11)	19.91 (6/1)	170.89 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	152.28	+0.8	13.95	5.66	11.40	11.30	151.06	147.66	148.26	151.51	69.44	152.28 (18/11)	61.98 (6/1)	226.08 (18/8/72)	61.41 (13/12/74)
14	Breweries (15)	169.35	-1.1	12.09	6.06	12.53	12.59	171.15	167.32	168.54	172.55	79.37	172.55 (12/11)	76.58 (6/1)	261.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	156.96	—	12.16	6.45	12.46	12.46	157.02	152.64	155.79	157.35	103.28	177.84 (9/7)	80.42 (6/1)	237.40 (15/7/73)	78.81 (13/12/74)
16	Entertainment, Catering (16)	182.86	+0.5	11.71	6.56	13.66	13.00	181.87	177.36	176.79	178.86	63.93	182.86 (18/11)	56.28 (6/1)	329.99 (10/12/72)	54.87 (13/7/74)
17	Food Manufacturing (22)	166.80	+1.4	12.69	4.84	11.00	10.97	164.45	161.05	162.05	165.79	53.36	166.80 (18/11)	62.05 (2/1)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	155.55	+2.1	9.83	4.57	14.77	14.77	152.12	148.11	148.46	154.51	62.54	155.88 (10/11)	57.15 (2/1)	335.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	159.87	+1.1	13.41	6.32	11.39	11.39	158.17	156.00	157.39	160.12	72.74	160.12 (12/11)	55.08 (6/1)	250.99 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	100.75	+2.9	22.09	7.32	6.74	6.74	97.89	96.59	98.24	100.22	54.51	107.12 (20/6)	43.46 (6/1)	135.89 (28/4/72)	43.46 (6/1/75)
21	Stores (32)	129.51	+1.1	11.61	5.22	13.17	13.17	128.08	125.39	126.21	129.29	61.13	132.94 (24/10)	52.63 (6/1)	204.39 (16/5/72)	52.63 (6/1/75)
22	Textiles (23)	157.72	-1.1	15.56	6.86	6.47	7.95	169.50	157.70	159.14	162.58	70.73	162.58 (12/11)	62.91 (6/1)	255.73 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	218.96	+1.1	15.48	6.15	9.85	9.83	216.57	200.50	207.48	209.57	119.65	219.96 (18/11)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	63.68	+1.4	21.43	6.24	6.49	6.49	62.82	61.33	62.95	63.72	27.26	63.72 (12/11)	20.92 (6/1)	136.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (93)															
25	Chemicals (21)	192.95	+0.7	14.43	4.98	9.71	9.71	191.60	187.44	187.95	190.99	82.01	192.95 (18/11)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	94.79	+4.6	14.06	5.50	9.97	9.97	90.63	90.54	90.06	91.43	56.69	104.78 (17/4)	45.34 (2/1)	246.06 (1/3/72)	45.34 (2/1/75)
27	Shipping (12)	404.18	+1.8	19.11	5.95	6.73	6.46	397.12	388.07	390.22	393.56	231.61	404.18 (18/11)	194.38 (6/1)	517.00 (5/12/72)	90.80 (20/6/62)
28	Miscellaneous (47)	156.36	+1.9	15.75	6.56	9.58	9.37	153.49	151.62	152.50	154.56	75.24	156.36 (18/11)	60.59 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	151.55	+1.3	14.59	5.65	10.18	10.15	149.60	146.58	146.69	149.59	68.07	151.55 (18/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	338.18	+0.4	14.88	4.76	7.51	6.72	336.75	331.18	331.19	332.68	124.00	338.18 (18/11)	105.88 (2/1)	431.65 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	167.07	+1.2	14.47	5.51	9.64	9.39	165.15	161.92	162.50	164.85	72.86	167.07 (18/11)	65.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.88	+0.4	—	6.14	—	—	138.33	135.19	137.38	138.85	69.70	148.46 (20/5)	56.50 (6/1)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	168.54	-0.9	17.42	4.75	8.79	8.79	170.38	166.46	166.85	169.45	66.96	177.11 (5/6)	62.56 (2/1)	288.32 (20/1/72)	62.44 (12/12/74)
34	Discount Houses (9)	171.15	+1.9	—	7.30	—	—	168.04	165.82	165.59	164.99	92.59	171.15 (18/11)	84.13 (6/1)	293.13 (12/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	95.88	-0.7	—	6.60	—	—	96.70	94.57	97.80	97.68	65.96	144.39 (10/6)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	129.31	+2.6	—	6.39	—	—	126.01	123.04	124.03	126.19	49.01	129.31 (18/11)	44.88 (2/1)	194.46 (16/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	111.73	-1.2	—	6.12	—	—	113.06	112.34	113.27	113.97	45.72	125.90 (20/5)	44.47 (2/1)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	232.59	+0.8	6.99	3.76	15.69	15.69	230.53	226.03	226.15	227.66	80.43	232.59 (18/11)	69.96 (7/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (19)	89.47	+1.5	—	5.72	—	—	88.15	86.49	86.90	87.66	40.97	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	157.78	+3.4	3.67	3.73	44.88	42.61	152.55	151.93	155.29	156.70	66.96	241.22 (22/4)	88.19 (2/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	78.84	+3.1	12.72	6.12	12.57	12.41	76.46	75.60	76.62	77.68	38.89	78.84 (18/11)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	177.97	+1.5	2.82	4.01	35.51	35.49	175.34	171.86	171.83	171.38	89.20	176.53 (6/6)	73.43 (6/1)	246.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (630)	160.63	+1.0	—	5.35	—	—	158.98	155.99	156.52	158.65	70.13	160.63 (18/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	410.06	+2.7	15.75	5.18	9.69	9.67	399.28	398.22	399.59	398.96	299.89	525.43 (25/6)	261.66 (2/1)	555.37 (23/7/73)	84.68 (25/8/66)
45	Teas (10)	116.48	-2.7	39.72	9.05	3.68	3.60	119.77	120.15	120.65	124.31	76.19	124.57 (11/11)	76.76 (16/1)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	254.41	+0.4	47.50	6.75	2.11	2.11	253.37	284.18	285.58	286.09	370.60	467.74 (27/5)	253.37 (17/11)	567.78 (15/7/72)	94.08 (29/4/62)
47	Mining Finance (11)	110.37	-1.7	10.86	4.61	10.40	10.40	112.32	113.63	113.76	114.08	94.61	141.34 (30/6)	80.56 (23/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	94.47	+2.9	11.70	9.38	11.17	10.00	91.80	91.86	92.26	92.93	62.23	114.49 (5/6)	58.91 (8/1)	125.43 (12/1/73)	54.63 (27/5/71)
49	Overseas Traders (13)	226.74	+0.1	14.67	4.44	8.61	8.60	236.51	220.36	218.35	314.89	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tuesday, Nov. 18 Index No.	Yield %	Monday Nov. 17	Friday Nov. 14	Thurs. Nov. 13	Wed. Nov. 12	Tuesday Nov. 11	Mon. Nov. 10	Friday Nov. 7	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.75	14.74	14.72	14.72	14.71	14.81	14.81	14.90	16.87	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.58	13.92	46.70	46.75	46.81	46.85	46.75	46.77	46.54	41.23	53.09 (20/5)	38.27 (3/1)	115.42 (11/3/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.02	15.98	46.02	46.22	45.85	45.81	45.74	45.74	45.73	37.98	50.68 (21/5)	37.01 (3/1)	113.45 (25/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs (15)	46.77	14.79	46.94	47.20	47.16	47.21	47.21	47.28	47.28	35.32	47.30 (29/7)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.07	14.49	64.67	64.36	64.36	64.45	63.91	64.17	63.88	60.43	68.02 (6/3)	47.67 (6/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	15/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	16	319	− 1	323	118
Shell Transport	25p	15	386	—	390	118
Lex Service Grp.	25p	12	25½	+ 2	27½	6½
Plessey	50p	12	79	+ 2	80	39
"Bats"	25p	11	335	—	338	104
Midland Bank	£1	11	300	− 8	308	122
Beecham	25p	10	325	+ 1	328	116
GEC	25p	10	144	− 1	147	51
Redland	25p	10	108	+ 4	109	29½
Unilever	25p	10	420	—	428	170
Cadb'y Schweppes	25p	9	54	+ ½	55½	17
Courtaulds	25p	9	140	− 2	154	53
Debenhams 'New'	Nil-pd.	9	30½*	+ ½	31½*	24*
Eng. China Clays	25p	9	60	+ 1½	82	35
Ibstock J'sen 'New'	Nil/pd.	9	39*	+ 5	39*	30*

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c)
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2
Dec. 9	Dec. 22	Mar. 4	Mar. 16

"Calls" were done in Charterhall Finance, Westinghouse Brake, EMI, Trident TV "A," Scottish TV "A," Reyrolle Parsons, Lonrho, J. Brown, Avon Rubber, National Westminster Warrants, Slater Walker, Tate and Lyle, Burmah Oil and Siebens Oil and Gas. A "put" was dealt in Amalgamated Investment, while "doubles" were arranged in Avon Rubber, Reyrolle Parsons, MEPC and EMI.

Industrials							
A. P. Cement	16	Grand Met.	7	Slater Walker	9	Mines	
Assoc. Leisure	5	G.U.S. 'A'	17	Spillers	5	Anglo Amer.	50
Barclays Bank	25	Guardian	20	Tesco	6	Broken Hill Prp.	75
Beecham	28	G.K.N.	22	Thorn "A"	17	Charter Cons.	22
Boots Drug	12	Hawker Sidd.	27	Tube Invest.	24	Chart'rh'll Fin.	10
Bowaters	16	House of Fraser	8	Unilever	36	Cons Gold	22
B.A.T.	30	Hudson(Wilms)	4	Utd. Drapery	10	De Beers Def.	36
British Leyland	7	I.C.I.	21	Vickers	13	F.S. Geduld	350
BOC Int.	8½	"Imps"	7	Woolworths	6	Great Boulder	12
Burton 'A'	9	I.C.L.	7			Hampton Areas	13
Cadburys	6	Inveresk	7	Property		Hampton Prop.	4
Courtaulds	12	Legal & General	13	Cap. Counties	4½	Kloof	140
Debenhams	8	Lloyds Bank	22	E.P.	8	Lonrho	13
Distillers	13	"Lots."	6	Int. Europe	6	Loraine	66
Dunlop	5½	"Mams"	6	Land Securities	18	Metals Explor.	8
Eagle Star	13	Marks & Spencer	11	Peachey	6	Poseidon	55
E.M.I.	17	Midland Bank	25	Town & City	4½	Pres. Steyn	276
First National	2	Nat'l West Bank	22	Town & Comm.	4	Rio T. Zinc	20
G.R.A. Trust	4	P & O Dfd.	10	Oils		Welkom	55
Gen. Accident	16	Plessey	8	Brit. Petroleum	48	West Areas	75
Gen. Electric	13	R.H.M.	6	Burmah Oil	8	Western M'ng	18
Glaxo	40	Rank Org. 'A'	17	Shell	30	Zambian Copp.	10
		Reed Int'l	23	Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

Too numerous to name individually the 308 new 1975 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 26 new lows

NEW HIGHS (308)

BRITISH FUNDS (1)
FOREIGN BONDS (1)
AMERICANS (2)
CANADIANS (2)
BANKS (7)
BEERS (1)
BUILDINGS (25)
CHEMICALS (12)
CINEMAS (4)
DRAPERY & STORES (9)
ELECTRICALS (12)
ENGINEERING (52)
FOODS (16)
HOTELS (1)
INDUSTRIALS (89)
INSURANCE (9)
MOTORS (21)
NEWSPAPERS (3)
PAPER & PRINTING (3)
PROPERTY (1)
SHIPPING (1)
SHOES (1)
TEXTILES (3)
TOBACCOS (3)
TRUSTS (20)
OILS (1)
OVERSEAS TRADERS (1)

NEW LOWS (26)

PROPERTY (2)
Inv. & Prop. Hldgs. Midhurst Whites
SOUTH AFRICANS (1)
Edworks (1936)
TRUSTS (1)
Lubok 12pc Conv
MINES (22)
Rand Leases, Harmony
Bracken, Loraine
East Dagga, Pres. Steyn
Kinross, Unisel
Leslie, Sentrust
S.A. Land, Falcon
Deelkraal, Globe Phoenix
Kloof Gold, Rhodesian Corp.
Libanon, Wankelhaak
Vontersboat, Slyvoor.
F.S. Saaiplaas, Elsburg

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	32	23
Corpns. Dom. and Foreign Bonds	8	1	62
Industrials	679	175	877
Financial and Prop.	288	29	280
Oils	9	8	16
Plantation	6	5	36
Mines	17	72	64
Recent Issues	13	4	16
Totals	1,020	326	1,374

BASE LENDING RATES

AFI International
Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Copleys Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept's
Royal Trust of Canada
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Sheeley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams and Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month [illegible]
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 [illegible] over £25,000 [illegible]
§ Demand deposits [illegible]

CORAL INDEX
Close 374-379

I.G. INDEX
GOLD 138-141

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Small surplus

Bank of England Minimum Lending Rate 11¾ per cent. (since November 14, 1975)

There was a surplus of day-to-day credit in the London money market yesterday and the houses balanced their books without official intervention. Factors in the market's favour were, bank balances brought over from Monday and an excess of Government disbursements over revenue transfers to the Exchequer. On the other hand, there was a net take-up of Treasury bills, an increase in the note circulation, and maturing Local Authority bills. The market was also faced with large sales of gilt-edged stocks.

Discount houses paid around 11 per cent. for secured call loans in the early part and during the day rates drifted lower to close at 10¾-11 per cent. In the inter-bank market overnight loans commanded 11½-11⅝ per cent. at the start, but by the close rates were easier around 10¾-11 per cent. Short-term fixed period interest rates showed little change although the one month sterling certificate yield eased to 11⅛-11¼ per cent. from 11¼-11⅜ per cent.

Rates in the table below are nominal in some cases.

Nov. 18 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	10¾-11⅝	—	—	—	11-11¼	10⅝-11⅛	—	—	—
2 days notice	—	—	11⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	11¼-11½	11½	—	—	—	11¼-11⅜	—	—	—
One month	11⅜-11¼	11¼-11⅜	11⅛-11½	11¾-11	11¼-12⅜	—	11⅛	11½-11	11⅜-11¼	11½-11⅜
Two months	11⅜-11¼	11¼-11⅜	—	11½-11¼	11¼-11½	—	11	11⅛-11	11-11⅛	11½-11¾
Three months	11⅜-11¼	11¼-11⅜	11⅜-11½	11½-11	11¼-12½	—	10⅞-11	11⅛-11	11-11⅛	11½-11
Six months	11⅜-11¼	11¼-11⅜	11½-11⅝	11½-11	11¼-12½	—	—	—	11¼-11⅛	12
Nine months	11⅞-11	11¼-11	—	11¾-11⅝	11½-12½	—	—	—	—	—
One year	11½-11⅞	11⅜-11½	12¼-12½	11⅜-11¼	11½-12¼	—	—	—	—	—
Two years	—	11⅞-12⅛	12¾	12¼-11¾	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½-12¾ per cent.; four years 13¾-13½ per cent.; five years 14 per cent. ф Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 11⅝-11¾ per cent.; and four-month trade bills 11⅞ per cent. Approximate selling rates for one-month Treasury bills 10 15/16 per cent.; two-month 11 1/32-11 per cent.; three-month 11 per cent. Approximate selling rates for one-month Bank bills 11-11 3/16 per cent.; two-month 11 1/16 per cent.; and three-month 11 1/16 per cent.; for one-month trade bills 11½ per cent.; two-month 11⅝ per cent.; and three-month 11 5/32 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from November 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.0854 per cent.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

[illegible]lowing the merger last year of U.K. stock exchanges, a selection of the share [illegible] previously shown under regional headings is presented below with quotations [illegible]don. Irish issues, most of which are not officially listed in London, are [illegible] separately and with prices as on the Irish exchange.

Inv. 30p	16	.....	Graig Ship. £1	350	.....	Shiloh Spinn.	23	.....
[illegible]nning	25	-2	Hellam Sleigh 10p	6	.....	Sindall (Wm.)	50	.....
[illegible]	18	.....	Higsons Brew.	92	.....			
Est. 50p	135	+5	I.O.M. Stm. £1	110	.....	**IRISH**		
[illegible]roft	35	.....	Holt (Jos.) 25p	255	.....			
Rose £1	315	.....	Kleen-e-Ze	18	+1	Alliance Gas (£1)	70xd	+3½
[illegible] R.A.)	30	.....	Lovell's Ship £1	95	.....	Carroll (P. D.)	128	.....
McHdy.	76	.....	N'thn. Goldsmith	90	.....	Clondalkin	54	-1
[illegible]'k. 10p	36	.....	P.M.A.	34	.....	Concrete Prods.	80	.....
[illegible]	7½	+½	Pearce (C. H.)	62	.....	Goodbody (£1)	24	.....
[illegible]rge	43	.....	Peel Mills	13	.....	Heiton (Hldgs.)	38	.....
Pkg. 5p	16	.....	Richards 10p	12	.....	Irish Distillers	72½	-1½
Reed 50p	115	.....	RobbCaledon£1	40	.....	Irish Wire	48	.....
[illegible]er & Sons	11	.....	Sayers 12½p	8	.....	Jacob	66	+1
[illegible]er (L.)	67	+4	Sheffield Brick	65	.....	Sunbeam	11	.....
			Sheff. Refrshmt.	141	.....	Unidare	63	.....

AMBER INDUSTRIAL HOLDINGS LIMITED

ESTIMATED UNAUDITED GROUP PROFIT STATEMENT FOR THE 6 MONTHS ENDED 30TH SEPTEMBER, 1975

	6 months to 30/9/75	6 months to 30/9/74	Year to 31/3/75
[illegible]up Turnover	£763,000	£738,000	£1,455,000
[illegible]up Trading Profit	89,000	73,000	140,000
[illegible]rest Paid	9,000	16,000	30,000
[illegible] Profit before Taxation	80,000	57,000	110,000
[illegible]poration Tax @ 52%	42,000	30,000	73,000 (Actual)
	38,000	27,000	37,000
[illegible]raordinary Item	—	—	2,000
	£38,000	£27,000	£35,000

[illegible]TE:

The increase in the profit, before taxation, for the first six [illegible]nths of the year reflects the discontinuance of the loss-making [illegible]key farming activity and a reduction in interest charges.

While it is too early to make any precise assessment of the [illegible]tcome for the year present indications, assuming no worsening [illegible] trading conditions, are that the profits, before tax, for the [illegible]cond half of the year will approximate to those of the first [illegible] months.

BARLOW RAND LIMITED

(Incorporated in South Africa)

COMPANY ANNOUNCEMENT

Barlow Rand Limited have purchased 1,253,800 shares in [illegible]retoria Portland Cement Co. Ltd., for cash at a price of 230 [illegible]ents per share. The effect of the transaction is that Barlow [illegible]and will hold 31.4% of the share capital of Pretoria Portland [illegible]ement.

No further purchases are contemplated at present.

[illegible]8th November, 1975.

[illegible]egistered Office:
[illegible]3, de Beer Street,
[illegible]raamfontein,
[illegible]001—South Africa,
P.O. Box 4562,
[illegible]ohannesburg,
[illegible]000—South Africa).

INVEST IN 50,000 BETTER TOMORROWS!!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS — the cause and cure of which are still unknown — HELP US BRING THEM RELIEF AND HOPE.

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The Multiple Sclerosis Society of G.B. and N.I.,
4 Tachbrook Street,
London SW1 1SJ.

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94	Exch.5½pc 1976‡‡	98	......	6.59	11.18
97¾	92	Treasury 6½pc 1976‡‡	96	......	6.73	11.23
99	97	Victory 4pc 1976‡‡	98	......	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99	......	10.57	11.19
95¼	88⅞	Treasury 6¼pc 1977‡‡	95	......	6.57	10.32
95	85¼	Electric 3pc 74-77	95	......	3.15	7.01
103	95⅞	Treasury 11½pc 77‡‡	100	−	11.43	11.10
91⅞	84	Treasury 3pc 77‡‡	91⅞	......	3.27	7.42
91¾	84¼	Transport 4pc 72-77	91	−	4.38	8.65
96	90½	Treasury 9pc 1978‡‡	94¼	......	9.55	11.68
100	96	Treasury 10½pc 76‡‡	97	......	10.80	11.72
89	79	Exchequer 5pc 76-78‡‡	88	......	5.63	9.91
103	94	Treasury 11½pc 79‡‡	99	......	11.59	11.77
81	71⅛	Treasury 3pc 79‡‡	81	+	3.69	8.80
82¼	73	Electric 4½pc 74-79	82⅝	−	5.14	9.75
100	94½	Treasury 10½pc 79‡‡	95⅞	......	11.01	11.99
81¾	71	Electric 3½pc 76-79	81⅝	−⅛	4.28	9.09
95	84	Treasury 9pc 1980‡‡	89	......	10.03	12.27
95	89¼	Treasury 9½pc '80‡‡	90	−	10.52	12.38
79⅝	68¾	Treasury 3½pc 77-80	79⅝	......	4.39	9.04
84½	71	Funding 5¼pc 78-80‡‡	84⅝	......	6.22	9.55
		Five to Fifteen Years				
96	95½	Treasury 11½pc 1981‡	96½	−	12.05	12.73
76⅝	66⅛	Do 3½pc 79-81	76½	−½	4.63	9.52
91⅛	72⅝	Do 8¼pc '80-82‡‡	86⅞	−⅛	10.13	12.28
104⅛	86⅝	Treasury 12pc 1983‡‡	97⅞	−½	12.52	12.89
78	56	Funding 5½pc '82-84‡‡	72⅞	−⅛	7.75	10.97
85¼	61½	Treasury 8½pc '84-86‡‡	80½	−⅛	10.98	12.37
73¾	51⅛	Funding 6½pc '85-87‡‡	66⅝	−¼	9.87	11.98
76¼	53	Treasury 7¾pc '85-88‡‡	71½	−⅛	11.23	12.83
47¼	32⅞	Transport 3pc '78-88	44	−½	7.00	11.83
56⅞	39¾	Treasury 5pc '86-89	51⅛	−½	9.92	12.48
75½	53¼	Treasury 8¼pc '87-90‡‡	66½	−⅛	12.37	13.55
		Over Fifteen Years				
57⅛	41⅞	Funding 5¾pc '87-91‡‡	51½	−⅛	12.37	13.36

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 63¾% (based on $2.0347 per £)

CANADIANS

S.E. List Premium 63¾% (based on $2.0616 per £)

Conversion factor 0.6155 (0.6095)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
5	Pentique 5p	9¼	+1	0.49	2.4	8.2	7.7
20	Johns'n & B. 12½p	33	......	1.56	ϕ	7.6	ϕ
20	Johnson Clean.	34	−2	†2.18	1.7	9.8	9.0
28	Johnson Mth. £1	300	+2	10.23	4.9	5.2	6.0
18	Judge Int.	32	+1	†1.85	3.7	8.9	4.7
14½	Kalamazoo 10p	18½	......	1.57	1.4	13.1	8.4
20	Kelsey Ind. 12½p	47	......	d2.47	4.7	8.1	4.1
9	Kennedy Sm. 10p	12	......	1.38	1.9	17.8	4.7
25	Kershaw (A.) 5p	700	+12½	12.01	0.7	2.6	113.4
66	Kleeman	215	......	†3.69	5.0	2.8	11.1
15	Kode Int.	28xd	......	†1.23	3.5	6.8	6.5
24	L.C.P. Hlds.	66	+1	ϕt3.9	2.5	9.1	9.0
11	L.K. Ind. Inv.	19xd	......	†d1.96	1.8	15.9	5.3
13½	L.R.C. Int. 10p	38	+2	2.0	0.8	8.1	23.0
56	Lamson Inds.	82	+1	2.74	2.5	5.1	11.1
26	Laurex	30	+3	2.58	2.0	13.3	5.1
48	Lead Inds. 50p	120	+4	†4.69	3.9	6.0	6.6
24	Leadenhall Stg.	52	......	3.05	2.4	8.1	5.3
17	Le Bas (Ed)	49	......	†1.36	8.5	4.3	4.2
15	Lebolf Fobel 10p	39	......	t1.48	4.2	5.9	11.0
19	Lebus Harris	37	+3	2.0	0.2	8.3	—
12	Leigh (L.) 5p	26	......	0.73	5.8	4.4	6.1
35	Leisure Car. 10p	76	+1	4.42	1.7	8.9	10.3
59	Lep Group 10p	130	......	2.54	7.7	3.1	5.8
12	Lesney Prods. 5p	41	+1	g0.84	7.6	3.2	5.8
13	Letraset 10p	50	+1	s1.28	3.3	3.8	11.4
5½	Liden 10p	13	......	0.17	2.4	2.0	26.2
17	Light & Leis. 10p	52	+4	¶2.0	3.7	9.9	5.9
35	Lindsay & Wms.	40	......	3.06	3.6	11.8	3.6
28½	Lindustries	58	+3	†3.76	3.4	10.0	4.3
27	Lipton (L.)	27	......	‡2.4	2.0	‡	5.5
11	Lloyds Ind. 10p	63	+2	ϕt3.3	2.4	8.3	7.9
15¼	Lon. & Nthn. Grp.	48½	......	3.35	1.7	10.8	8.1
8	Long Hmbly. 10p	12½	......	1.17	ϕ	15.7	ϕ
19	Longton Trans.	32	......	2.84	†1.9	13.6	5.8
28	Lonsdale Univsl.	53	+1	†3.53	3.4	10.3	4.4
82	Low & Bonar 50p	163	+1	g9.05	3.4	8.5	5.3
18	MK Refrig'n 10p	43	+5	2.31	3.8	8.3	4.9

INDUSTRIALS—Continued

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
13	8	Wood (W.) 10p	9	......	‡0.87	—	‡	—
99	29	Wood Hall	93xd	+2	3.94	ϕ	6.5	ϕ
7¼	4	Yaxton Furn. 5p	6½	......	ϕ0.34	2.9	8.1	8.
27½	14	Zetters 5p	22	......	0.95	4.6	6.6	5.

††INSURANCE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
73	30	Brentnall Bd. 10p	72	......	†2.92	3.0	6.2	8.
160	60	Britannic 5p	160	+2	7.0	—	6.7	—
970	440	Comb. Ins. Am. $1	800	......	Q66c	—	4.0	—
194	72	Comm. Union	137½	−1	6.77	—	7.6	—
148	44	Eagle Star	134xd	−4	g4.99	—	5.7	—
£113	£100	Ennia UK 9%Cnv.	£109½	+½	Q9%	—	f8.5	—
198	50	Equity & Law 5p	198	+6	5.1	—	4.0	—
174	67	Gen. Accident	167	+2	†5.4	—	5.0	—
224	83	Guardian Royal	207	......	†7.75	—	5.8	—
235	54	Hambro Sh'd 10p	235	+2	†5.44	3.0	3.5	14.
292	82	Heath (C.E.) 20p	292	+10	†6.1	3.9	3.2	12.
186	47	Hogg Robinson	126	+2	4.03	3.7	3.4	12.
150	30	Howden (A.) 10p	142	......	g2.35	4.6	2.6	14.
148	43½	Legal & Gen. 5p	148	+3	t4.36	—	4.5	—
125	33	Lon. & Gdwn. 10p	112	+4	3.39	2.3	4.7	14.
143	48	Lon. & Man. 5p	128	......	†4.35	—	5.2	—
178	63	Matthew Wr. 20p	172	......	†7.39	1.5	6.6	15.
*125	38	Minet Hldgs. 20p	125xr	+4	t2.4	3.9	1.7	17.
242	93½	Pearl 5p	242	+4	9.6	—	6.1	—
230	87	Phoenix	216xd	−3	t8.23	—	5.9	—
130	60	Provident "A"	127xd	+2	g6.65	—	8.1	—
128	60	Do. "B"	127xd	+2	g6.65	—	8.1	—
142½	52	Prudential 5p	141	+4	t5.07	—	5.5	—
130	48	Refuge 'B' 5p	122	+2	6.25	—	7.9	—
*320	106	Royal	320	......	t13.39	—	6.4	—
275	99	Sedg Forbes 10p	275	......	†7.81	1.8	4.4	21.
84	29	Stenhouse	79	......	3.12	2.3	6.1	9.
460	175	Sun Alliance £1	450xd	−3	g15.38	—	5.3	—
99	32	Sun Life 5p	99	+6	2.53	—	3.9	—
870	575	T'sh. Mar'e. EDR.	805	......	Q11%	—	1.1	—

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	262	+2	‡Q110c	ϕ	‡
£14	520	E. Rand Prp. R1	560	−25	‡Q115c	ϕ	‡
105	25	Rand Leases 2½c	25	−2	—	—	—
£34½	£15¾	Randf'tn Est. R2	£25	−1	—	—	—
500	130	West Rand R1	130	−5	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken R1	165	−13	Q52c	ϕ	17.4
23	5	Daggafontein 50c	12	......	—	—	—
105	35	East Dag R1	35	−2	‡Q25c	ϕ	‡
140#	£	Gvnt. Areas 5c	140#	......	—	—	—
380	115	Grootvlei 30c	115	......	‡Q32c	1.1	‡
820	385	Kinross R1	385	−25	Q54c	ϕ	7.7
190	62	Leslie 70c	62	−5	Q18c	ϕ	16.0
550	165	Marievale 70c	178	−12	‡Q34c	1.1	‡
725	180	S. African Ld. 35c	180	−10	‡Q65c	1.5	‡
265	82	Vlakfontein R1	94	−8	Q35c	1.3	20.7
£13¾	710	Winkelhaak R1	710	−20	Q106	ϕ	8.4
120	36	Wit. Nigel 25c	36	......	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25	615	−15	Q100c	1.5	9.0
£21½	£12¾	Buffels R1	£12¾	−¾	Q190c	1.4	7.8
430	198	Deelkraal R0.20	198	−14	—	—	—
£14¼	610	Doornfontein R1	615	−65	Q110c	1.4	9.5
£12¾	725	East Drie R1	830	−50	†55c	ϕ	4.1
450	190	Elsburg R1	190	−5	Q85½c	—	13.2
£31	£15	Hartebeest R1	£16	−1	Q215c	1.4	7.4
£13¾	640	Kloof Gold R1	640	−80	Q55c	1.4	4.7
£17¾	575	Libanon R1	575	−70	Q110c	1.9	10.6
£13¾	600	Southvaal 50c	665	−25	Q9c	0.9	0.8
480	210	Stilfontein 50c	220	−5	‡Q65c	1.3	‡
£33¾	£17	Vaal Reefs 50c	£19¾	−1	‡Q220c	1.7	‡
£11½	280	Venterspost R1	280	−20	Q70c	1.9	13.6
£55	£33	W. Drie R1	£36	−1½	Q485c	1.2	7.4

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Pot. Plat. 2½c	41	−½	—	—	—
115	40	Colby Mines $1	60	......	—	—	—
810	360	Cons. Murch. 10c	720	−20	‡Q130c	2.2	‡
53½	29½	Lauraida	42	......	—	—	—
375	200	Northgate C$1	240	......	tQ25c	1.0	5.8
211	80	R.T.Z.	187xd	+2	g5.51	4.4	4.5
135	47½	Sabina Inds. C$1	96	......	—	—	—
81	45	Stanford Mines£	53	......	—	—	—
£12½	874	Tara Exptn. $1	£10½	......	—	—	—
78	38	Yukon Cons. C$1	70	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES

Wednesday November 19 1975

Choice of plans to save Chrysler

By Terry Dodsworth, Motor Industry Correspondent

SEVERAL PLANS for the rescue of Chrysler U.K. from its financial difficulties are under consideration by the Department of Industry.

In a statement indicating that the Government had not yet made up its mind about what policy it should adopt towards Chrysler, the DoI said yesterday that it has asked the company to provide "a detailed analysis of the implications of various courses of action."

At the same time there was considerable speculation in Westminster that any move either to rescue or abandon Chrysler would be followed by import restrictions on some cars, either to protect the Government investment or to prevent the Chrysler market share going to foreign manufacturers.

Limited aid

Despite this flurry of activity, which once again involved Mr. Eric Varley, the Industry Secretary, in talks with Mr. John Riccardo, chairman of Chrysler Corporation, a strong feeling is developing among MPs that the Government will offer only limited aid to the U.S company, if any.

The Department of Industry is believed to have received two highly pessimistic reports on the future prospects of the group in Britain, the most recent from the Industrial Development Advisory Board, set up partly to monitor Government plans for intervention in industry. Only three weeks ago the Government was given the conclusions of the Think Tank report on the future of the motor industry, which also holds out little hope for Chrysler.

There is some reason to suppose that the promised Government announcement of its plans for Chrysler which may be made by Mr. Varley early next week will be timed to coincide with, or just precede, publication of the Think Tank's report. This suggests that the Government is anxious to make the most of the problems facing a large-scale rescue effort for the company.

These problems centre on the large amount of money that would be necessary to set Chrysler firmly on its feet again—possibly well over £300m. to give it a competitive range of new models, refurbish its plants, and meet inevitable losses over the next two or three years.

This year Chrysler U.K. is expected to lose about £40m., and with a static or even smaller U.K. market next year, heavy losses will be virtually unavoidable next year.

At the beginning of the current round of talks with the Government, Chrysler Corporation apparently made it quite clear that it was not interested in finding any more cash for investment in Britain itself.

Company town

Plans for limited Government support are crystallising around the Linwood plant in Scotland—a company town where closure would raise political problems, given the present devolution argument and the Stoke factory, which makes most of the parts for the large export order to Iran. In the first half of this year, Chrysler exports, the vast majority of which go to Iran, were valued at £90m.

The signs last night were that even if these partial solutions were pursued, and proved acceptable to Chrysler Corporation, which would have to bear some of the closure costs, the Government might still find the price of its support too expensive.

BSC to import £20m. of steel for car men

BY ROY HODSON

THE BRITISH STEEL Corporation is having to import up to £20m. of steel in the next few months, in spite of running much of its plant only at between 50 per cent. and 60 per cent. capacity.

BSC has found itself in a dilemma. While much of its plant is operating at low levels there has been a relatively brisk demand for steel strip produced by the modern but problem-hit works at Llanwern, South Wales. Customers unable to obtain Llanwern steel are prepared to buy abroad rather than take steel from other works, which they consider not entirely suitable for their press-work.

To keep faith with customers, mainly in the car industry, BSC has taken an option on up to 200,000 tons of semi-finished steel, mainly from Holland, in slab form. The intention is that the steel will be subsequently rolled in British steelworks. If the full extent of the option is taken up in the next few months the cost of these imports will be £15m. to £20m.

Llanwern has been unable to supply because of the variety of problems which have plagued the works recently. One blast-furnace cannot be used at full capacity because of trouble with cooling towers. A second is being rebuilt. The third, of 5,000-tons-a-day capacity, is newly built and ready to run but has not been commissioned because of a pay dispute with the National Union of Blastfurnacemen. The inquiry into that dispute is still going on.

U.K. STEEL IMPORTS (tons a month)

	1972	266,000
	1973	273,000
	1974	363,000
Jan.-March	1975	436,000
April-June	1975	315,000

Customers in the car industry have been drifting away from BSC steel in favour of high-quality imports in recent months.

In April to June this year steel imports from Japan soared to 58,000 tons a month on average, three times the level at the beginning of the year. In the last three months there have been sharp rises in imports from various other countries.

MPs have been getting restive about the steel import situation and are preparing to question the Government closely after Parliament reassembles to-day.

Possible courses of action to help the European steel industry with its present large losses are expected to be considered by the European Commission when it meets to-day.

Minimum prices could be introduced as one form of protection against what is known in EEC language as a "manifest crisis." Another would be to prevent other steel-producing countries selling into the Community at below ruling Community prices.

Already the Government is initiating limited action of this kind against certain Spanish steel imports into Britain.

The gravity of the steelmakers' situation was brought home to Britain by the BSC announcement this week that it sustained the biggest loss in its history in the half year to October—£125m.—and that bigger losses were on the way unless inefficient plants were closed quickly.

The wider picture in the EEC is that almost all European steel works are losing money. Throughout Western Europe the markets are awash with cheap steel offers from Eastern Europe, Spain, Japan, and Scandinavia.

OPEC ministers support $1bn. fund for developing states

BY RICHARD JOHNS

THE CREATION of a $1bn. fund by the Organisation of Petroleum Exporting Countries to help developing countries with interest-free loans was approved by Finance Ministers of member States in Vienna last night.

The two-day meeting ended with the unanimous agreement on a scheme more or less along the lines proposed by the Shah of Iran. Initially, however, the aid programme will be for 1976 only rather than the five-year period proposed by him.

Agreement on the fund will have to be ratified by the 13 member governments because the statutes of OPEC do not empower Finance Ministers—as opposed to Oil Ministers—to make inter-Governmental decisions. But Dr. Jamshid Amouzegar, Iran's chief delegate to OPEC, said last night that he was confident that the Finance Ministers, who were holding their first conference alone, had the backing of their respective Governments.

Libya was not represented at the Vienna meeting, but in Geneva Mr. Mabrouk, Libyan Minister of Oil, explained that was because of a misunderstanding about its date and pledged the full support of his Government for the decision of the Finance Ministers' conference. He was in Geneva for consultations of Oil Ministers and other senior officials aimed at breaking the deadlock within the UN group of 77 developing countries over representation at the forthcoming Paris dialogue with the industrialised States.

It is understood that the OPEC fund will be financed by a levy roughly on the basis of 10 cents on each barrel of members' oil production — which at present rates would yield a little more than $1bn. annually, or 1 per cent. of total revenue. But details of the method of assessment have not, apparently, yet been finalised.

Arab preference

Iran was successful in persuading the Arab oil producers of the need for a fund to strengthen the alliance with other developing countries in anticipation of the Conference on International Economic Co-operation beginning next month and to help overcome Third World complaints about the crippling oil prices. At the outset of the conference, some of the Arab members—including Saudi Arabia—showed reluctance, reflecting their known preference for giving bilateral aid or participation in multilateral Arab schemes.

In Geneva, the Oil Ministers and officials, including Sheikh Yamani of Saudi Arabia, made little progress in solving the dispute within the Group of 77, which are currently meeting in New York, over representation. They have to choose 12 countries—in addition to the eight that participated in the preparatory dialogue meetings—in accordance with the agreement reached with the U.S., the EEC, and Japan.

OPEC wants the larger and more populous producers like Nigeria, Indonesia and Iraq to take part in the conference. At the same time, the secrecy surrounding the Geneva consultations reflected anxiety that it might appear to be acting separately as a block to gain maximum representation.

The consensus is that the continents of Asia, Africa and America should each have four of the available extra seats. The Latin Americans seem agreed that Venezuela and Brazil should be joined by Peru, Mexico and Jamaica.

In the African group, no less than 11 candidates are still insisting on a place with Algeria and Zaire. For Asia, represented at the preparatory sessions by Saudi Arabia, Iran and India, a number of countries are continuing to press their claims strongly — including Indonesia, Malaysia, Pakistan, Iraq, Kuwait and (improbably) Yugoslavia.

Secret U.S.-France deal

BY MICHAEL BLANDEN

A SECRET arrangement for daily consultation on exchange rates between the U.S. and France was agreed at the Rambouillet economic summit meeting, President Ford's advisers said yesterday.

Dr. Henry Kissinger, Secretary of State, and Mr. William E. Simon, Treasury Secretary, said that this was perhaps the highlight of the meeting.

Mr. Simon said the agreement would bring more orderly and stable exchange rates by reducing erratic price fluctuations.

The news had little immediate impact on the markets, where the pound slipped to touch a new low at an average depreciation of 29.8 per cent. from its December 1971 levels. Later, it recovered to end unchanged at a 29.7 per cent. depreciation.

The general agreement on co-ordination of economic policies and the prospect of more stable exchange rates was reflected in the gold market, where the price dropped $2¼ to $139¼, its lowest since early October.

Mr. Simon emphasised that the U.S. had not abandoned its opposition to fixed exchange rates. Under the new agreement, there would be no parities nor agreements on bands of fluctuation for the dollar against other currencies.

But the accord signed by him and M. Jean-Pierre Fourcade, the French Finance Minister, provided for intervention in exchange markets to resist fluctuations which were not related to basic economic realities.

It was clear in London that the agreement was specifically between France and the U.S., and involved no commitment on the part of the U.K. authorities. It is expected, however, that the implications of the agreement for other countries, and particularly for other members of the European "snake" joint floating arrangements, will be discussed further at next month's Basle meeting of central bankers and at the Group of Ten finance ministers meeting in Paris on December 19.

Mr. Gerald Parsky, assistant secretary at the U.S. Treasury, said the Franco-American accord would involve intervention to stabilise markets when they became "disorderly," but without interfering with movements reflecting underlying economic conditions. There was no commitment to maintain the dollar at any particular level.

OECD doubts pace of recovery Page 6

Police probe Queen's Award company deals

BY MICHAEL LAFFERTY

POLICE ARE investigating more than £100,000 worth of hire-purchase deals carried out by Kina, the East Anglian engineering company, holder of two Queen's Awards to Industry, and in which a receiver was appointed last month.

Kina manufactures high-pressure water-spraying equipment, and its shareholders include the M and G unit trust group and a number of City stockbrokers.

A spokesman for Suffolk CID confirmed "that as a result of information received from a finance company the police are engaged in looking into the dealings of Kina with a number of finance companies."

Mr. Roger Cork of W. H. Cork Gully and Co., the receiver, said yesterday that all the shareholders' money had been lost and the company's unsecured creditors were unlikely to be paid.

Although Kina's audited accounts to June 1974 showed net assets of £641,000, the receiver states that there is now a deficit of about £500,000.

The company obtained a further £145,000 from a share issue in April 1975.

The receiver, who was called in by Barclay's Bank, secured creditors for £400,000, confirmed that Kina was "almost certainly insolvent" when it received the Queen's Award in April, 1975. Although the citation for the award, based on the company's own submissions, spoke of exports "exceeding £900,000 and representing more than 80 per cent. of production," this has subsequently been thrown into doubt. Mr. Cork said that he had formed the opinion that sales had never exceeded £750,000, of which about 80 per cent. (£600,000) had been exports.

The invitation to members in April to put up the additional £145,000 through a share issue was backed up by information about the latest Queen's Award and about the export and sales achievements for which it was given.

A spokesman for the Office of the Queen's Award said yesterday that awards are made to companies "on the basis of a declaration of accuracy" they make to the office.

"We feel it is a burden to ask all applicants to submit auditors' certificates when there is no certainty they will gain an award. However, we do ask for certificates from a random sample," he added.

It is believed that a close interest in the developments at Kina is being taken by two local MPs, Mr. Keith Stainton (Conservative) and Mr. Ken Weetch (Labour).

Mr. Stainton, it is believed, is giving particular attention to the role the Queen's Award played in the presentation of the proposals for the April cash-raising share issue.

The Department of Industry was considering a request from Kina for cash assistance up to a few days before the receiver was called in.

Discussing the present position, Mr. Cork, the receiver, said that Kina had a fantastic product and he was hopeful of selling the business within the next six weeks. He hopes to protect the jobs of all the employees.

Greene and Co., the London stockbrokers, who have acted as Kina's brokers and one of whose partners, Mr. Lionel Arbis, has been a non-executive director of Kina since 1971, have 217,463 shares in the company which originally cost £20,000. A number of Greene's clients are also believed to be shareholders in the company.

A spokesman for Greene and Co. pointed out that Mr. Arbis had at no time taken an active part in the day-to-day management of Kina. He had lost more than £10,000 of his own money as a result of Kina's collapse.

It is believed that Greene and Co. advanced £37,000 to Mr. Edwin Hearn, the Kina chairman, in 1973 to enable him to take up a rights issue at that time. The Greene spokesman confirmed that his firm was now conducting negotiations through solicitors for the recovery of this money.

Shareholdings in Kina are also held by certain partners in Vickers, Da Costa, the stockbrokers. Mr. Ralph Vickers, the senior director of the firm has lost £3,000 in shareholdings.

It was through Vickers, Da Costa that M and G acquired its holding of 800,000 shares in Kina at a cost of £100,000 in April and May of this year.

U.K. giving up social affairs post at Brussels

By Reginald Dale

BRUSSELS, Nov. 18.

BRITAIN IS to abandon the top-level post of Director-General for Social Affairs in the EEC Commission after Mr. Michael Shanks, the present holder, returns to London in the near future.

Mr. Shanks confirmed to-day that he is returning shortly to private industry in the U.K., although he would not say whether or not he was returning to British Oxygen, his old company.

The social affairs post was one of the four Commission director-generalships set aside for British nationals, the other three being industry, transport, and scientific and technical information. Altogether there are about 30 director-generalships in the EEC.

However, the U.K. has now secured the potentially key post of Director-General for Energy and has put forward the name of Mr. Leonard Williams, Deputy Secretary for EEC and International Affairs in the Department of Energy.

Commission officials maintain that the U.K. has not simply traded the social job for the energy post, and that Mr. Shank's departure is a coincidence.

Nevertheless, it must be doubtful if Britain would have been allowed to increase its number of director generals at the expense of another country.

The industry job has been vacant since Mr. Ronald Grierson, the U.K.'s original nominee left in early 1974, but the Government is apparently still keen to keep the post in British hands because director generals can play a major role in forming EEC policy.

The social affairs post will now go to Belgium, the country that hitherto provided the Director General for Energy.

There has been persistent speculation in Brussels that naming a British Director General for Energy could play a part in a possible compromise to the problem posed by the U.K. demand for a separate seat at the Paris conference on energy and raw materials. But U.K. officials have discounted such suggestions.

Britain pays less for Canadian newsprint

By Lorne Barling

THE U.K. PRICE of Canadian-produced newsprint is to be cut, reversing the trend which has doubled overall newsprint prices in two years and contributed substantially to the troubles of the newspaper industry.

One Canadian importer was notifying customers yesterday that it will quote sterling prices for newsprint, without an exchange rate clause—in effect a price cut of about £3 a tonne.

This will bring prices into line with those of Scandinavian suppliers, which are £173 a tonne for 48.8 gramme and £187.60 for 45 gramme.

The recent downward movement of sterling against the U.S. dollar had made Canadian newsprint £12-£14 a tonne more than Scandinavian competitors were quoting, until a Scandinavian price rise of 6 per cent. on November 1.

Although this reduced the Canadian disadvantage significantly, it is now felt that in the present difficult market conditions even a small differential can damage sales.

It appears that loss of volume is serious enough to force a price reduction.

British Paper and Board Industry Federation figures show that last year U.K. domestic newsprint sales were 372,600 tonnes, Scandinavian 575,400 tonnes and Canadian 506,000 tonnes.

The move to reduce prices, which all Canadian producers are expected to follow, has been resisted in other sectors of the paper industry.

Paper and board output, Page 9

Continued from Page 1

AUEW

will go into a second ballot after winning 29,699 votes.

Both the level of votes cast—ranging between 27 and 46 per cent.—and the results bear out the moderates' faith in the union's postal balloting system which was introduced about three years ago and which Left-wingers tried unsuccessfully to have abandoned earlier this year.

Last night Mr. Wright spoke of a "scurrilous Press campaign" which he claimed had seriously affected the results and had "interfered with the normal democracy of the union."

His successful opponent, Mr. Duffy, described the results as the greatest fillip the union moderates had had in 20 years.

He saw it not only as an expression of confidence in the moderate viewpoint but an endorsement of the Government and TUC policy to combat inflation.

THE LEX COLUMN

Babcock goes Transatlantic

Babcock and Wilcox's $67½m. cash bid, if successful, will have an immediate and substantial impact on earnings and assets. Current year profits would rise from a forecast £13m. to roughly £17m. pre-tax after taking in a full 12 months from American Chain. And net assets would increase by £15m. to £100m., of which about £32m. would be in the U.S. compared with £40m. in the U.K.

However, there are a number of constraints for Babcock's market capitalisation of £68m. at 74p. The U.S. response is uncertain. This is not a "cheap" bid, on a current year p/e of something like 10 and at a premium of about 60 per cent. on the market price a couple of weeks ago, and it stands to transform Babcock's remarkable liquidity position. Adjusting last year's balance sheet for the Deutsche Babcock sale and the rights issue, its pre-bid cash exceeds total debt by well over £20m., but along with the acquisition costs American Chain brings net debt which totalled £27m. at the last balance sheet date.

In addition, American Chain's operating profile is not especially exciting. Its industrial products business has grown steadily in recent years, and accounted for three-fifths of profits in 1974: at the same time, the group was barely in the black on materials handling and process controls, representing nearly half its sales. The U.S. operations accounted for roughly two-thirds of net assets and sales, but only a quarter of profits. Operating cash flow over the past two years barely covered working capital requirements, let alone substantial fixed asset spending, and the profits trend has deteriorated so far this year.

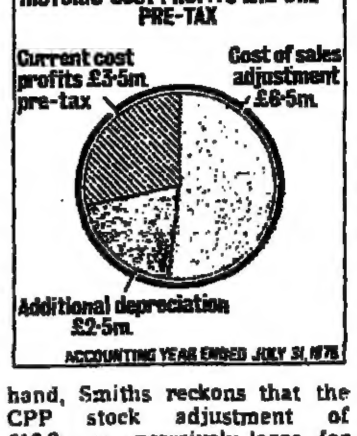
There may well be scope for recovery in the U.S., which has been through a sizeable reorganisation in recent years, and Babcock's acquisition record is good—with the most recent, Woodall - Duckham, scheduled to make decent returns this year. But the U.S. story is plainly still at an early stage.

CCA initiative

Smiths Industries is the first company to venture into current cost accounting, with its estimate that pre-tax profits would emerge at £3.5m. in this form, against £12.5m. on the normal historic cost basis. For good measure Smiths has also done its CPP sums, and the pre-tax figure here works out at £7.8m. The main reason for the divergence between CC and CPP figures is, of course, that net monetary gains have contributed heavily to the latter—by £7m., in fact. On the other hand, Smiths reckons that the CPP stock adjustment of £10.9m. is excessively large, for many of its raw materials have risen much less fast than the Retail Price Index; hence the CC cost of sales adjustment is only £6.5m. Plant replacement indices, however, have been more buoyant than the RPI, so extra depreciation on the Sandilands formula comes to £2.5m. against £1.8m. according to CPP calculations.

Index rose 1.1 to 376.6

Smiths Industries
HISTORIC COST PROFITS £12·5m. PRE-TAX



ACCOUNTING YEAR ENDED JULY 31, 1975

Smiths reckons it will perform better than the average in the current year, but accepts that its historic cost return on capital of 18 per cent. is inadequate. Its special report to employees points out that cash flow fell £3.9m. short of total spending of £12.2m. on working capital and fixed assets in 1974-75, a gap which was filled by the rights issue, and will presumably be recovered by borrowing this year.

See also Page 28

Royal Insurance

Royal is continuing its forecast profits turnround, though the underwriting recovery is taking rather longer to come through than hoped with a third quarter loss of £10.1m., against £12.3m. for the first half as a whole. But the nine-month deficit is still £2.7m. lower than a year ago, and profits so far are £8.8m. up at £22.6m. pre-tax. The hold-up has been in the U.S., with an underwriting loss of £18.9m. to date, of which the largest part has come from motors. But Royal was [...] yesterday that rate increases averaging a quarter nation[ally] so far, with five more poin[ts to] come by the end of 1975—s[hould] have a steadily incre[asing] impact from the current qu[arter] onwards, which is usually best of the year in the [U.S.] generally. Elsewhere, [Austra]lian and Canadian losses [have] both been cut sharply, th[ough] there has been a slight det[erior]ation in some classes in Eu[rope].

Overall, the underwriting [loss] should be smaller in the cu[rrent] quarter, and with [...] £1.25m. from the rights [issue] proceeds, full-year [pre-tax] profits could be at least [...] against £15m. And there [could] be plenty more to come in [1976] so there is nothing [...] threaten a capitalisation [of] £480m. at 320p. Indeed [the] results of Royal and G[eneral] Accident last week confirm [the] view that the U.S., Aus[tralia] and Canada are improving [and] that the U.K. is still gene[rally] strong, though there are [...] worries about the downtu[rn on] the Continent—which leav[es the] puzzling question of why [Com]mercial Union's perform[ance] has been so poor, against [the] trend.

See also Page 28

B & C Shipping

The main influence on B[ritish] and Commonwealth's figu[res] down £2.5m. pre-tax to [...] at the half-way stage, and [fore]cast to be £4m. lower at [...] for the full-year—has bee[n the] adverse experience of [its] bulk carriers. One is o[n a] longish charter, but two a[re] are laid up, and only a ma[rked] improvement in the spot m[arket] has prevented the others following suit—they are trading at a loss. The turnround here is probably to the £4m. decline encountered by the group [as a] whole. Elsewhere the [...] roughly cancel out the [...] with the helicopter ope[ration] doing well, and Castle Ha[...] likely to trim its losses af[ter] after cutting its pro[...] passenger total from 78,0[00 to] 45,000. At the net attrib[utable] level profits will be £2m. [...] at £7.3m. for Ordinary ea[rnings] of 16.5p and a prospective [p/e] of just under 12 at 189p. [The] chief attraction, how[ever,] remains an asset backing [which] could be over twice the [share] price.

See also Page 28

Weather

U.K. TO-DAY

CLOUDY, rain or drizzle at times.

London, E., S.E., S.W., N.W., Cent. England, Midlands, Channel Is. Wales

Cloudy, rain at times. Few bright spells. Wind W., moderate. Max. 11C (52F).

Lakes, Is. of Man, N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, Argyll, N. Ireland

Rain or drizzle. Wind W., moderate or fresh. Max. 9C (48F).

N.E., N.W., Scotland, Orkney, Shetland

Cloudy, rain or showers. Winds W. or N.W., fresh or strong. Max. 6C (43F).

Outlook: Occasional rain.

Lighting-up: London 16.37, Manchester 16.36, Glasgow 16.35, Belfast 16.48.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria.	S	25	77	Madrid	F	9	48
Amstrdm.	S	9	48	Manchstr.	S	5	41
Bahrain	S	29	84	Melbourne	C	26	79
Barcelona	F	10	50	Milan	C	8	46
Beirut	S	22	72	Montreal	S	15	59
Belfast	Dr	4	39	Moscow	S	−2	28
Belgrade	S	15	59	Munich	R	3	37
Berlin	C	4	39	Newcastle	S	4	39
Birmghm.	S	5	41	New York	S	17	63
Bristol	S	7	45	Oslo	S	4	39
Brussels	R	7	45	Paris	C	9	48
Budapest	R	9	48	Perth	S	18	64
B. Aires	S	22	72	Prague	C	7	45
Cairo	S	28	82	Reykjavik	C	1	34
Cardiff	S	8	46	Rio de J'o	S	30	86
Cologne	C	6	43	Rome	C	15	59
Copnhagn.	C	7	45	Singapore	C	27	81
Dublin	Dr	5	41	Stockholm	R	4	39
Edinb'gh	C	4	39	Strasb'rg	C	4	39
Frankfurt	C	5	41	Sydney	S	23	73
Geneva	R	5	41	Tehran	S	11	52
Glasgow	C	6	43	Tel Aviv	S	23	73
Helsinki	C	1	34	Tokyo	S	17	63
H. Kong	S	25	77	Toronto	C	12	54
Jo'burg	S	24	75	Vienna	R	8	46
Lisbon	S	13	55	Warsaw	R	6	43
London	S	7	45	Zurich	C	4	39
Luxembg.	C	4	39				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	C	12	54	Las Plms.	F	22	72
Algiers	C	10	50	Locarno	R	7	45
Biarritz	R	10	50	Majorca	C	13	55
Blackpool	S	7	45	Malaga	S	15	59
Bordeaux	R	8	46	Malta	C	20	68
Boulogne	C	7	45	Nairobi	C	20	68
Casablnca.	F	16	61	Naples	C	15	59
Cape Town	C	23	73	Nassau	S	26	79
Corfu	C	22	72	Nice	C	10	50
Florence	F	12	54	Nicosia	S	23	73
Funchal	S	19	66	Rhodes	F	22	72
Gibraltar	S	15	59	Salzburg	R	5	41
Guernsey	C	7	45	Tangier	F	13	55
Innsbruck	R	2	36	Tenerife	C	16	61
Inverness	C	5	41	Tunis	C	16	61
I. of Man	C	8	46	Valencia	C	15	59
Istanbul	C	20	68	Venice	F	10	50
Jersey	C	8	46				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dr—Drizzle.

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